THE UNIVERSITY OF MICHIGAN

STANDARD PRACTICE GUIDE

SECTION:	Benefits Office	**Number:**	203.5
		Revised:	9/1/05
SUBJECT:	Retirement Savings Plan	**Date Issued:**	
		Review Date	9/1/10
APPLIES TO:	Regular and Supplemental Staff	**Attachment(s)**	0
ISSUED BY:	Human Resources and Affirmative Action		

I. Policy

The University of Michigan offers a combined 403(b) and 401(a) defined contribution retirement plan for regular and supplemental faculty and staff.

II. Regulations

A. ELIGIBILITY AND ENROLLMENT:

Enrollment is open to regular faculty and staff members, with a funded appointment of four continuous months or more, and an appointment fraction of 1% or greater. Supplemental instructional staff may enroll with a funded appointment of 50% or more for four continuous months or more. Enrollment is not automatic, but is dependent on the employee enrolling, and enrollment may occur at any time up to the point of meeting the criteria for Compulsory participation (see II.C). Consult with the Benefits Office for specific deadlines for new hire and newly eligible employees who wish to receive retroactive contributions and for November and December enrollments. Information on plan terms and features, enrollment applications and deadlines, plan benefits, and income options are available by contacting the Benefits Office and by visiting the Benefits Office website at: http://www.umich.edu/~benefits.

B. CONTRIBUTIONS:

The participant contributes 5% of eligible gross salary and the University contributes 10%. All contributions are tax-deferred and immediately vested and nonforfeitable. All contributions stop during periods of non-pay, including leaves of absence without pay and layoff (RIF). Contributions during a sabbatical are provided on actual salary paid.

C. COMPULSORY PARTICIPATION:

Regular employees age 35 or older with two or more years of service and currently at a 100% appointment effort, must participate in the plan and continue participating until termination, retirement or an ineligible appointment. A reduced benefit option is available to select which does not require employee contributions on earnings below the Social Security wage base and provides a lower University contribution.

D. LUMP SUM DISTRIBUTION:

Lump sum distributions of employee contributions and earnings are available at any age after termination of employment. Lump sum distributions of University contributions and earnings are available at age 55 or older after termination of employment. Official University retirees (see SPG 201.83) may elect a withdrawal of all contributions and earnings regardless of age. Consult a tax advisor on penalties. See the Benefits Office website for information http://www.umich.edu/~benefits/plans/retire/formerempl.htm

E. RETIREMENT PLANS FOR BARGAINED-FOR STAFF MEMBERS:

Staff members subject to terms and conditions of collective bargaining agreements should consult the specific provisions in their current agreements dealing with the Retirement Plan. In the event there is an inconsistency between this SPG and an applicable collective bargaining agreement, the provision of the collective bargaining agreement will govern.

F. LIMITATIONS:

The University in its sole discretion may modify, amend, or terminate the plan. Nothing in these materials gives any individuals the right to continued plan benefits beyond those accrued at the time the University modifies, amends, or terminates the plan. Anyone seeking or accepting any of the benefits provided will be deemed to have accepted the terms of the plan and the University's right to modify, amend, or terminate the plan.