

Boston College



RETIREMENT PROGRAM

The Boston College Retirement Program is comprised of two components: (A) the **401(k) Retirement Plan** and (B) the **Voluntary 403(b) Program**. The following is a summary of the main features of the program; more detailed information, particularly concerning the various investment options, is available from the Benefits Office.

(A) **THE 401(k) RETIREMENT PLAN**

Normally, employees are entitled to participate in the 401(k) Plan on the first of the month after completing one year of eligible service at Boston College at a minimum of 20 scheduled hours per week.

[**Note:** All new employees must satisfy the one-year service requirement in order to participate in the 401(k) plan. However, new employees with at least a year of immediate, prior, full-time service at a non-profit, tax-exempt institution of higher education may be eligible to receive a payment comparable to a first year's retirement contribution. For complete information please contact the Benefits Office.]

Participation in the 401(k) plan is voluntary and, once notified of eligibility, an employee should contact the Benefits Office to discuss the available options and to complete the appropriate enrollment forms. Participation will generally begin as of the first of the month following receipt of completed enrollment forms.

Once enrolled, an employee is required to contribute to the plan 2% of his/her base salary. The University contributes a matching 8% of salary for a staff member with less than nine years of eligible service at Boston College, and 10% of salary for an employee with nine or more years of service at Boston College. Contributions are made on a tax-deferred basis for federal and state tax purposes.

Technically, the University operates two 401(k) plans: the Boston College 401(k) Retirement Plan I (with investment options through TIAA), and the Boston College 401(k) Retirement Plan II (with investment options through Fidelity Investments). Plan I utilizes Group Retirement Annuities (GRA's) with investment choices offered by Teachers Insurance and Annuity Association (TIAA). Plan II investment options include no-load mutual funds offered by Fidelity Investments, along with several non-Fidelity mutual funds offered through Fidelity's "FundsNet" program.

[For an outline of the Plan's basic investment philosophy and fund selection guidelines, refer to the *Investment Policy Statement*, which is available from the Benefits Office or online at www.bc.edu/offices/hr/resources/investmentpolicy.]

Participants may select investment options from either TIAA or Fidelity, or may select a combination from both companies.

All contributions to 401(k) accounts are fully vested in (owned by) the participant immediately. The accumulations are not accessible to the participant while he/she is still working at Boston College. However, upon retirement or termination of employment, several distribution options will be available. The accumulation may be used to purchase a lifetime annuity or, alternatively, may be payable in a lump sum, rolled over to an Individual Retirement Account, or paid over a fixed period. Terminating employees should contact the Benefits Office for information concerning the specific procedures that apply to TIAA and to Fidelity Investments.

[For complete information, employees should refer to the Plan's *Summary Plan Description*, available from the Benefits Office or online at www.bc.edu/401kplansummary.]

(B) THE VOLUNTARY 403(b) PROGRAM

Employees may participate in the Voluntary 403(b) Program without having to satisfy a waiting period. The 403(b) Program is available to those not yet eligible for the 401(k) Retirement Plan, as well as to those participants in the 401(k) Plan who wish to make tax-deferred or post-tax (Roth) contributions beyond the required 2% of pay.

Investment options under the Voluntary 403(b) Program include TIAA Group Supplemental Retirement Annuities (GSRA's), using the TIAA accounts that are available under the 401(k) Plan I, and several additional mutual funds. The same Fidelity mutual fund choices (excluding the non-Fidelity "FundsNet" options) offered in the 401(k) Plan II are also available. In addition, 403(b) participants will have access to over 100 other Fidelity funds that are made available to institutional investors.

Accumulations in the 403(b) Program are generally not accessible before age 59 ½ except in case of termination of employment, death, disability, or financial hardship (as determined by IRS regulations). Certain other restrictions may also apply. More complete information describing the options may be obtained directly from TIAA or Fidelity.

Death Benefits

If a person should die before retirement, the full current value of his/her accumulation in both the 401(k) Plan and the 403(b) Program, including any amount attributed to the University's contributions, becomes payable to the employee's designated beneficiary(ies). Several death benefit payment options are available to a beneficiary, including a lifetime annuity and a lumpsum payment.