

## ***Frequently Asked Questions Drake University Retirement Plans***

### ***What company does Drake University use to provide retirement benefits for employees?***

Drake University provides retirement benefits through Teachers Insurance Annuity Association - College Retirement Equities Fund (TIAA-CREF).

### ***What plans are available for employees?***

There are two plans available:

The Drake University Mandatory Tax-Deferred Annuity Retirement Plan; and  
The Drake University Voluntary Tax-Deferred Annuity (TDA) Plan.

### ***Do I have to participate in a retirement plan?***

All eligible employees are required to participate in the Mandatory Tax-Deferred Annuity Retirement Plan. Effective June 1, 2006 if you are an eligible employee, you must, as a condition of employment, begin participation in this plan on the first of the month after you complete one year of service at the university or at any other accredited college or university, without a break in service. Human Resources will notify employees when they become eligible to participate in the mandatory plan.

### ***When I am required to participate in the mandatory plan, how much do I have to contribute?***

Exempt employees must contribute 5% of compensation, non-exempt employees contribute 3% or 5% of compensation, as elected by the participant, and the university contributes 8%. Compensation means the participant's base annual salary.

### ***When do my plan contributions become vested in the mandatory plan?***

You are fully and immediately vested in the benefits arising from contributions made under this plan.

### ***Who is eligible to participate in the voluntary plan?***

All eligible employees of the university can participate in the Voluntary Tax-Deferred Annuity (TDA) Plan. Eligible employee means all employees except any employee who is not eligible to defer more than \$200 annually pursuant to a salary reduction agreement within the meaning of the Code Section 3121(a)(D).

### ***When do I become eligible to participate in the voluntary plan?***

If you are an eligible employee, you may begin participation in this plan on the first of the month following employment at the university. To participate in the voluntary plan, contact Human

Resources for an enrollment packet. You must complete the enrollment form, and a salary reduction agreement, and return them to Human Resources. Participation is voluntary in this plan.

***If I want to make a change in my contributions or allocations to the plan, who do I contact?***

To make a change in the contributions from your pay, please contact the Human Resources benefits office at 515.271.3339.

To make a change in how your contributions are allocated, please contact TIAA-CREF at 1.800.842.2776 to speak to a representative or you can access your account on the TIAA-CREF web site at [www.tiaa-cref.org](http://www.tiaa-cref.org)

***Is there a limit on contributions?***

Yes, The total amount of your salary reduction contributions on a voluntary basis will be limited by the Code Section 402(g) limit. The Code Section 402(g) limits are \$15,000 for 2006 and subsequent years. If you have made salary reduction contributions that exceed the Code Section 402(g) limit, you should request a distribution of the excess by notifying the Plan administrator by March 1 of the following year. The excess will be distributed to you by April 15.

***May I take a loan from the retirement plan?***

Yes you can only take a loan from the voluntary plan. If you are married at the time you request the loan, your spouse must consent to the loan. You can contact TIAA-CREF at 1.800.842.2776 to see how much would be available to you.

***May I receive a cash withdrawal from the mandatory plan while still employed?***

No, you cannot receive a cash withdrawal while you are employed, unless you are subject to the terms of the University's program for a transitional period of leave.

***May I receive a cash withdrawal from the voluntary plan while still employed?***

Yes, subject to your spouse's rights to survivor benefits, you may receive a cash withdrawal of salary reduction contributions (and any earnings) made to an annuity contract after December 31, 1988, but only if you are at least age 59 ½, become disabled or die. You also may withdraw your accumulations while employed if you encounter hardship.

***May I receive a cash withdrawal from the mandatory plan after termination of employment?***

Yes, subject to your spouse's rights to survivor benefits, you may receive all of your CREF and TIAA Real Estate Account accumulations as a cash withdrawal after you terminate employment if you're at least 55 years old. However, if you are transferring your accumulation to an IRA you may do so after separation from service at any age. TIAA-Traditional Annuity accumulations may be received only through the Transfer Payout Annuity (TPA), in equal annual payments over a period of 10 years after you terminate if you're at least 55 years old. Payments made under the TPA are subject to the terms of the contract.

***May I receive a cash withdrawal from the voluntary plan after termination of employment?***

Yes, subject to your spouse's rights to survivor benefits, you may receive all of your TIAA and CREF accumulations as a cash withdrawal after you terminate employment.

***If I leave the university do I have to withdraw my retirement funds from TIAA-CREF?***

No, you do not have to withdraw your funds from TIAA-CREF after separation from the university. Retirement benefits must normally begin no later than April 1 of the calendar year following the year you attain 70 ½, or, if later, April 1 following the calendar year in which you retire.

***When does my retirement income begin?***

Although income usually begins at normal retirement age, you may begin to receive annuity income at any time, which may be either earlier or later than normal retirement age. Retirement benefits must normally begin no later than April 1 of the calendar year following the year you attain 70 ½, or, if later, April 1 following the calendar year in which you retire. Failure to begin annuity income by the required beginning date may subject you to a substantial federal tax penalty.

To get answers to any additional questions you may call TIAA-CREF's Telephone Counseling Center toll-free at 1.800.842.2776.

*For a more detailed description of the Drake University Mandatory Tax-Deferred Annuity Retirement Plan and the Drake University Voluntary Tax-Deferred Annuity (TDA) Plan, you can access the Summary Plan Descriptions on the Human Resources web site at [www.drake.edu/hr](http://www.drake.edu/hr)*