

In addition to your employer-funded PERS or ORP account, non-student employees may save additional amounts for retirement through the voluntary, tax-advantaged retirement savings plan, called the Oregon University System Tax-Deferred Investment 403(b) Plan or “TDI”.

Recently, the U.S. Congress extended the income tax rates established in 2001 for another two years. In addition, there will also be a 2% decrease in the Social Security payroll tax, which will increase your pre-tax income during 2011. Instead of spending it, consider using this windfall to save more for your own retirement.

What is the OUS 403(b) TDI Plan?

This voluntary retirement savings plan allows you to set aside some of your current salary as savings for your retirement. Contributions are before-tax deferrals that reduce your current taxable income this year or after-tax Roth contributions that offer tax-free growth of investment returns. Two different investment menus offered through TIAA-CREF and Fidelity Investments allow you to invest through a selection of high-quality, low-cost investment options. Online and in-person retirement planning education and assistance is available through both companies to help you select and direct your investments.

How can I start contributing?

Begin contributing to the TDI by completing a Salary Reduction Agreement (SRA) and returning the form to the campus benefits office. The form is available online at <www.ous.edu/sra.html>. Contact your benefits office for a paper form. Your contribution starts at the beginning of the month after you enroll in the TDI plan.

You may select specific mutual funds and annuities for your account at the time you establish your TDI account through Fidelity or TIAA-CREF, or you may use the “default” funds for your initial investment. Additional information about initial and ongoing investment options can be found on Fidelity’s <<http://www.mysavingsatwork.com/ous>> and TIAA-CREF’s <<http://www.tiaa-cref.com/ous>> OUS Plan websites. Your investment selections can be changed at any time through these websites.

How much may I contribute?

You can start a 403(b) account by contributing as little as 1% (at least \$25) of your pay every month. The IRS maximum annual contribution for 2011 is \$16,500 and employees 50 years of age or older may contribute an additional \$5,500 per year.

What if I am already participating in the Plan?

If you would like to increase the amount of your deferrals or change the types of deferrals that you are making (Pre-tax or Roth), please submit a new SRA <<http://www.ous.edu/sra.html>> to your institution’s benefits office.

Where can I find more information about this plan?

This is a brief overview of the TDI plan, but much more information is available online at <<http://www.ous.edu/dept/hr/benefits/tdi.php>>. OUS campuses sponsor one-on-one consultations with Fidelity and TIAA-CREF Retirement Counselors. These meetings - whether face-to-face or over the phone - are free of charge. Schedule an introductory meeting online with Fidelity or TIAA-CREF. The SRA form at <<http://www.ous.edu/SRA.html>> includes web links you can use to schedule a meeting to learn more about saving for retirement through the TDI plan.

This message is the 2011 Universal Eligibility Notice for the Oregon University System Tax-Deferred Investment 403(b) Plan. This message is not intended as tax or legal advice. Employees are encouraged to contact their financial representative or tax professional with any questions.

Do you have any comments or questions about this communication? Please contact your institution’s Human Resources office.