



## UNC ANNOUNCES NEW 403(b) RETIREMENT PROGRAM

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Thanks to the IRS, important changes are coming for all 403(b) retirement plans. The new programs and requirements must be “up and running” by January 1, 2009, so many things must happen quickly.

As we told you in July, all UNC institutions and affiliates decided to combine efforts and implement a system-wide 403(b) plan.

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### UNC's NEW 403(b) PARTNERS

Through a competitive review process, the University has selected **TIAA-CREF** and **Fidelity** to be our providers for a wide range of 403(b) services.

Both are strong, highly respected companies, and we are pleased to be working with them.

Both will offer a wide range of investment fund options. In addition, they will coordinate many complex administrative requirements to help make sure that the University and its participating employees comply with IRS requirements.

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### YOU NEED TO KNOW. . .

#### FIRST:

Recognize that we're talking only about the voluntary 403(b) retirement plan, and not about TSERS or the ORP (the mandatory retirement programs). This has no affect whatsoever on your current participation in either TSERS or ORP.

#### SECOND:

This also does not apply to the 457 or 401(k) programs. This information ONLY applies if you currently participate, or wish to begin participating, in the voluntary 403(b) program.

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### IF YOU ALREADY USE TIAA-CREF or FIDELITY FOR YOUR 403(b) . . .

If you currently participate in the 403(b) -- and if ALL your 403(b) contributions are currently going to TIAA-CREF and/or Fidelity only -- rest assured that we are working with these vendors to ensure a smooth transition to the new system-wide plan.

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## **IF YOU MAKE 403(b) CONTRIBUTIONS TO ANOTHER VENDOR . . .**

### **ACTION IS REQUIRED:**

If you use provider(s) other than TIAA-CREF or Fidelity for some or all of your 403(b) contributions, you will need to take action.

### **NEW ENROLLMENT FORM:**

By November 30, 2008, you must complete new enrollment forms to direct all of your FUTURE 403(b) contributions (as of January 1, 2009) to Fidelity or TIAA-CREF. All other vendors will be considered “deselected” vendors, and they can no longer receive new contributions. More information on how to enroll will be provided soon by your campus benefits office.

### **IF YOU DON'T:**

If you don't enroll through TIAA-CREF or Fidelity by the November 30 deadline, all of your 403(b) contributions will stop as of January 1, 2009, until you complete the necessary forms.

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## **WHAT ABOUT THE MONEY YOU'VE ALREADY CONTRIBUTED?**

### **YOUR EXISTING ASSETS (LEAVE THEM or MOVE THEM):**

Even though you can't add new contributions to a “deselected” vendor (any vendor other than Fidelity or TIAA-CREF) after December 31, 2008, we are working with deselected vendors on the details regarding existing assets. We expect to allow you the option of leaving or moving your existing assets held by these vendors, but we must work through the details with Fidelity, TIAA-CREF, and the old vendors to make sure there are no adverse tax implications for you. We will provide you with more information as soon as it becomes available.

### **CONTACT YOUR CURRENT VENDOR:**

We encourage you to contact your current vendor before you make any transfer. Ask them to explain any fees, transfer restrictions, or surrender charges that you might incur if you transfer your assets.

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## **WHAT HAPPENS NEXT?**

In the coming weeks, we will share more details about the steps you must take to continue your participation in the University's 403(b) program. The system-wide 403(b) Steering Committee is currently working with Fidelity and TIAA-CREF to develop enrollment kits and other summary information.

In the meantime, please call your campus benefits office with any questions about this change.

Your campus benefits office can help you with basic questions and “how-to” information.

Understand, however, that your benefits office can't give you individual investment advice...they can't tell you what to do with your investments. For that advice, talk with the vendor representatives at your current vendor, or contact TIAA-CREF or Fidelity.

***THANK YOU IN ADVANCE FOR YOUR ATTENTION AND TIMELY ACTION.  
STAY TUNED FOR MORE INFORMATION AS IT BECOMES AVAILABLE.***

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