



# Getting Started: Your UM Voluntary Retirement Plans

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**University of Missouri System**

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# Getting Started: University Of Missouri Voluntary Retirement Plans

Take advantage of great savings and investment opportunities available for retirement planning through the UM Voluntary Retirement Plans (VRPs). Your VRP options include:

- 403(b) Plan
- 457(b) Plan

Each VRP option can provide tax advantages, an array of investment choices, and responsive service and planning support. You can change the amount of your deferral at any time. Putting your VRPs to work for you is as simple as:

1. Understanding the potential benefits of saving for your future
2. Reviewing the key features of the VRPs
3. Getting started today

## Plan highlights:

- The VRPs allow you to invest on a pretax basis (subject to applicable Plan and IRS limits), which reduces the amount of federal and, in most cases, state income tax you owe each year.
- Investment earnings can be tax deferred, meaning you pay no income taxes on any contributions or investment earnings until you make a withdrawal. However, if you prefer to pay the taxes now and have tax-free money at retirement, there is an option available in the 403(b) Plan, called a Roth, which allows you to do that.
- Your contributions are automatically deducted from your paycheck, making it easy to contribute.
- With a variety of investment options available, you can create your own portfolio designed to meet your long-term planning goals.
- Planning and support services are available, including free access to a retirement representative who can lead you through the enrollment and decision-making process.
- Online and phone support is available to help you manage account details virtually 24/7.
- The University and Fidelity provide continued educational opportunities that can help you accomplish your retirement savings goals.

Learn more about what the VRPs at [umurl.us/Fidelity](https://umurl.us/Fidelity).

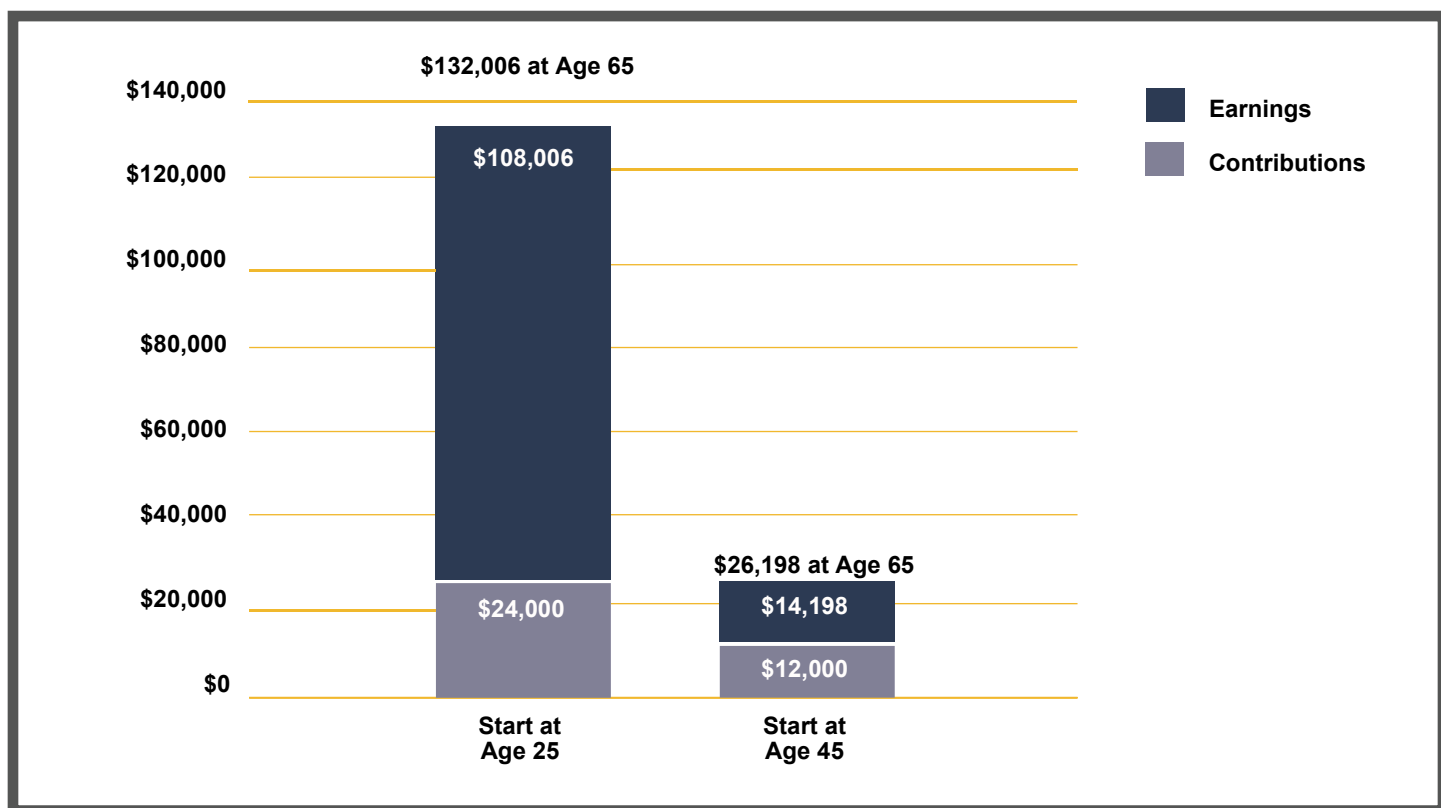
Consider these benefits of saving through the VRPs.

## Reward yourself

When you contribute to a VRP, you're paying yourself by saving for your own retirement. Most people can set aside some money toward their retirement. Sometimes this means changing a few habits or uncovering hidden costs. Remember that the money you save is easily deducted from your paycheck each pay period. It's hassle free. Just get started!

## Start now

You're never too young or too old to begin saving, but saving early in your career can make a big difference. The difference between starting a 2% contribution at age 25 could be dramatic when compared with starting the same 2% contribution at age 45 — as the example below shows.



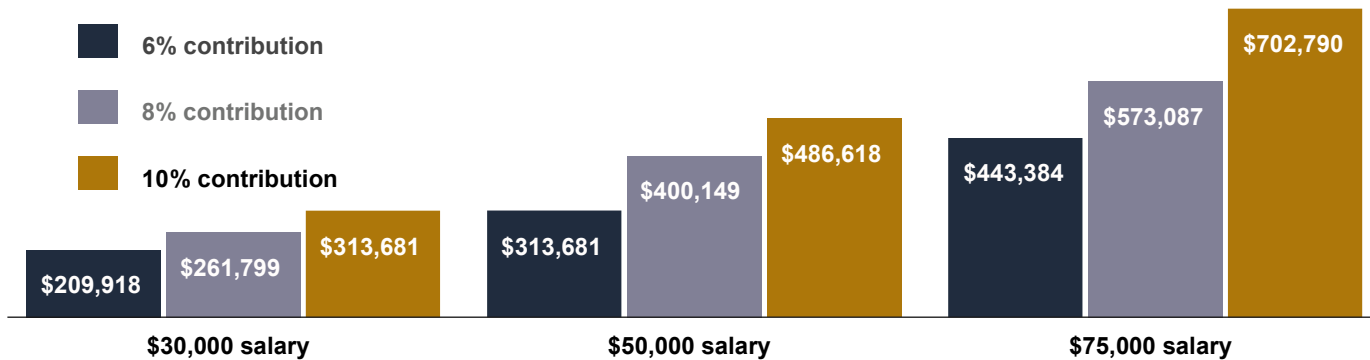
Source: [www.fidelity.com/atwork](http://www.fidelity.com/atwork) > Resources > Tools & Calculators > Contribution Calculator. Assumptions: \$30,000 salary paid monthly, 2% contribution rate accumulated to age 65, 7% rate of return.

This hypothetical example is based on monthly contributions to a tax-deferred retirement plan and a 7% annual rate of return compounded monthly. Your own Plan account may earn more or less than this example, and income taxes will be due when you withdraw from your account. Investing in this manner does not ensure a profit or guarantee against loss in declining markets.

## Small contributions could go a long way

It's OK to start small. Just 1% or 2% of your salary contributed before taxes could make a big difference to your retirement lifestyle. For example, a \$2 cup of coffee twice a week could become a potential contribution of \$208 per year. Renting a movie or playing cards once a month instead of spending an average of \$14 at a movie theater could add up to \$168 a year. When you start small, you can increase your contributions over time to help ensure a rewarding retirement. If you feel you can't afford to save money in the VRPs, consider adjusting the percentage you defer with each salary increase to build up your contribution rate over time.

## The power of compounding—growth of investment over 25 years



Source: [www.fidelity.com/atwork](http://www.fidelity.com/atwork) > Resources > Tools & Calculators > Contribution Calculator.

This hypothetical example assumes a \$30,000, \$50,000, and \$75,000 current annual salary, a beginning balance of \$10,000, a 3% annual salary increase, and a 7% annual rate of return compounded weekly. Your own Plan account may earn more or less than this example and income taxes will be due when you withdraw from your account. Investing in this manner does not ensure a profit or guarantee against a loss in declining markets.

## Sign up now!

Take the next step:

1. Try a helpful retirement planning tool or calculator online at [umurl.us/Fidelity](http://umurl.us/Fidelity).
2. Free, unbiased, confidential consultations. If you need help planning for retirement, or if you're overwhelmed or skeptical about saving, licensed retirement representatives are available to help you — for free! These representatives aren't sales people. They are here to help you make an educated decision to help you meet your retirement goals. For appointment details, go to [umurl.us/retconsult](http://umurl.us/retconsult).
3. Learn more. If you need more information:
  - Go to [umurl.us/retirement](http://umurl.us/retirement) for general information about all your retirement plans.
  - Call a retirement representative. Please see the back cover for specific contact information.
  - Visit [umurl.us/Fidelity](http://umurl.us/Fidelity) for plan details, to enroll, review investment options, and use the tools and calculators.

## Reminder:

Beneficiaries are designated differently for the RDD and for VRPs. For your VRPs, elect your communication preferences and name your beneficiaries at [umurl.us/Fidelity](http://umurl.us/Fidelity).

Contribution elections are based on your gross pay, so please consider other deductions when determining the maximum percentage you can contribute. If you choose a percentage higher than can be deducted due to other deductions, no retirement plan deferral will take place.

## Plan highlights

The University provides the following Voluntary Retirement Plan options for benefit-eligible and non-benefit-eligible faculty and staff. You may be able to participate in one or more of these plans.

Plan	Who is eligible	When does eligibility begin	2024 IRS annual limits	Loan provision	Withdrawal provision	Employer match
<b>403(b) pretax<sup>1</sup></b>	Benefit-eligible and non-benefit eligible employees	Employment commencement date	\$23,000. If you are age 50 or older, you may contribute an additional \$7,500 annually.	Yes	Allowed at age 59 ½ or retirement	No
<b>Roth 403(b) after-tax<sup>1</sup></b>	Benefit-eligible and non-benefit eligible employees	Employment commencement date	\$23,000. If you are age 50 or older, you may contribute an additional \$7,500 annually.	Yes	Allowed at age 59 ½ or retirement	No
<b>403(b) pretax irrevocable<sup>1, 2</sup></b>	Benefit-eligible and non-benefit eligible employees	One time irrevocable election on or prior to employment commencement date	\$69,000	Yes	Allowed at age 59 ½ or retirement	No
<b>457(b) pretax</b>	Benefit-eligible and non-benefit eligible employees	Employment commencement date	\$23,000. If you are age 50 or older, you may contribute an additional \$7,500 annually.	No	Allowed at age 59 ½ or severance from employment	Limited. Employees who have Hybrid or DC as their core retirement plan can receive matched contributions.
<b>401(a) pretax irrevocable<sup>2</sup></b>	Benefit-eligible employees	One time irrevocable election on or prior to employment commencement date	\$69,000	No	Allowed at age 59 ½ or retirement	No

<sup>1</sup> Your total contribution to 403(b) pretax and Roth 403(b) Plans combined cannot exceed the IRS annual contribution limits. Please visit [www.irs.gov](http://www.irs.gov) and search COLA limits for more information. <sup>2</sup> On or before employment commencement date, a one-time contribution election may be made that may not be changed unless you end employment with UM. Please contact the UM Office of Human Resources if you are interested in this option.

## Plan provisions

For more information about each of the VRPs, please log on to [umurl.us/Fidelity](http://umurl.us/Fidelity) and select University of Missouri 457(b) Deferred Compensation Plan or University of Missouri 403(b) Plan under the Plans & Investments tab.

## Investment options

The VRPs offer an array of investment options across three tiers (Target Date Funds, Core Lineup, and BrokerageLink®). If for a complete list of available options, please review the Investment options overview section of this guide.

# Two types of contributions are available to you: pretax and after-tax (Roth)

The University’s VRPs include both pretax and after-tax options. This means you can choose to save on taxes now and pay them when the money is withdrawn at retirement, or contribute after taxes now and withdraw money tax free at retirement — so long as the distribution is a qualified one. However, it is important to note that only the 403(b) plan allows the after-tax Roth provision.

## 403(b) and 457(b) pretax

Tax-deferred, pretax contributions can be made to the 403(b) and 457(b) Plans. Your contribution is a payroll deduction and you don’t pay tax on your contributions or earnings until the money is withdrawn from your account.

## 403(b) Roth contributions

Roth contributions are available in the 403(b) Plan only. If you choose the Roth option, you contribute after-tax dollars to the Plan and then withdraw tax-free dollars from your account when you retire, provided you meet certain requirements.\*

Any changes to your 403(b) or 457(b) *elective deferrals* are effective on the next available payroll period. Allow one to two payroll cycles for changes to take effect.

### To determine whether a pretax or Roth contribution is right for you:

- Try the Roth calculator at [umurl.us/Fidelity](http://umurl.us/Fidelity) under the Tools and Resources tab.
- Visit with a retirement representative. Appointment details are provided in the Additional resources section of this guide.
- Contact a tax professional for specific advice on your personal situation.

Both options enable you to contribute easily through payroll deduction. You can even elect to make Roth and traditional pretax contributions. Through automatic payroll deduction, you can contribute from 1% to the majority of your eligible pay as designated Roth contributions. Remember, contributions cannot exceed IRS limits.

### Below is an example of how a Roth contribution works with payroll deduction.

Sally’s story	Sally earns \$40,000 annually and has elected to put 6% in her Roth 403(b) and 6% in her traditional pretax 403(b) each month.	
	Roth 403(b) <sup>†</sup>	Traditional pretax 403(b) <sup>†</sup>
Sally’s monthly contribution into each account	\$200	\$200
Sally’s reduction in take-home pay	\$200	\$150
Employee withdrawals	Tax free upon withdrawal	Taxed upon withdrawal

<sup>†</sup>This hypothetical example is based solely on an assumed federal income tax rate of 25%. No other payroll deductions are taken into account. Your own results will be based on your individual tax return.

\* In the event of either retirement or termination, your earnings can be withdrawn tax free so long as it has been five tax years since your first Roth 403(b) contribution and you are at least 59½ years old. In the event of your death, beneficiaries may be able to receive distributions tax free if you started making Roth contributions more than five tax years prior to the distribution. In the event of disability, your earnings can be withdrawn tax free if it has been five tax years from your first Roth 403(b) contribution.

# Frequently asked questions

## Voluntary Retirement Plan (VRP) provisions

### When can I enroll in the VRPs?

As an eligible employee, you may enroll in either of the VRPs beginning with your employment commencement date. Irrevocable elections for the 403(b) Plan must be made on or before your employment commencement date.

### How do I enroll in the Plan(s)?

To enroll in the VRPs, simply log on at [umurl.us/Fidelity](https://umurl.us/Fidelity) or call 1-800-343- 0860.

### How do I enroll in the 403(b) Plan irrevocable option?

To enroll on or before your employment commencement date, email [retirement@umsystem.edu](mailto:retirement@umsystem.edu).

### What are my investment options?

To help you meet your investment goals, the VRPs offer a range of options. You can select a mix of investment options that best suits your goals, time horizon, and risk tolerance. Please review the Investment options overview section of this guide for details.

In addition, a complete description of the Plan's investment options and their performance, as well as planning tools to help you choose an appropriate mix, are available online at [umurl.us/Fidelity](https://umurl.us/Fidelity).

### What if I don't make an investment election?

We encourage you to take an active role in the VRPs and choose investment options that best suit your goals, time horizon, and risk tolerance. If you do not select specific investment options, your contributions will be invested in a target date fund (Fidelity Freedom K® Fund) using a retirement date closest to the year you will turn age 65. Please refer to the chart in the Investment options overview section for details. If no date of birth or an invalid date of birth is on file, your contributions may be invested in the Fidelity Freedom K® Income Fund. For more information about the target date fund options, visit [umurl.us/Fidelity](https://umurl.us/Fidelity).

### How much can I contribute?

Through automatic payroll deduction, you can contribute up to the annual IRS dollar limits. Beginning December 1, 2023, the 457(b) and 403(b) retirement plans will begin taking partial deductions for retirement plan deferrals. This will provide you the ability to defer up to 100% of your paycheck after all other pre-tax deductions. If, because of your election, any after tax deductions are unable to be taken from your paycheck, the UM benefits team will bill you directly.

The Internal Revenue Code provides that the combined annual limit for total plan contributions is 100% of your W-2 compensation or the current IRS contribution limit, whichever is less.

### What is the IRS contribution limit?

The IRS contribution limit changes from time to time. Please refer to the Plan highlights table in this guide for details.

### What is a "catch-up" contribution?

If you have reached age 50 or will reach 50 during the calendar year January 1–December 31 and are making the maximum Plan or IRS contribution, you may make an additional "catch-up" contribution each pay period. Catch-up contribution limits will be subject to cost-of-living adjustments (COLAs) in \$500 increments. Visit [www.irs.gov](https://www.irs.gov) and search COLA limits for current details.

### **When am I vested?**

You are always 100% vested in your personal contributions to the VRPs, as well as any earnings on them.

### **Do the VRPs allow loans?**

Although your Plan account is intended for the future, some of the VRPs allow loans. Please refer to the Plan highlights chart for details.

For more information, visit [umurl.us/Fidelity](http://umurl.us/Fidelity) or call a retirement representative at 1-800-343-0860.

### **Can I move money from another retirement plan into my account in my VRP?**

The UM Plans allow the rollover of eligible pretax contributions from another 401(k) plan, 401(a) plan, 403(b) plan, or a governmental 457(b) retirement plan account. Eligible pretax contributions from conduit individual retirement accounts (rollover IRAs) and certain nonconduit individual retirement accounts (traditional IRAs, Simplified Employee Pension plans, and "SIMPLE" IRA distributions made more than two years from the date you first participated in the SIMPLE IRA) may also be rolled over. A conduit IRA is one that contains only money rolled over from an employer-sponsored retirement plan that has not been mixed with regular IRA contributions. Contact Fidelity for details. You should consult your tax advisor and carefully consider the impact of making a rollover contribution to a VRP because it could affect your eligibility for future special tax treatments.

Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.

### **How do I manage my account?**

The VRPs offer several convenient ways to access account information, initiate transactions, and get the ongoing support you need.

- Online access at [umurl.us/Fidelity](http://umurl.us/Fidelity). By logging on to your account, you can view your account balances, request exchanges between investment options, change the way your money is invested in the future, track your contributions, and access fund information.
- Automated phone service at 1-800-343-0860
  - Fidelity's toll-free phone service is available virtually any time. Your service menu provides convenient access to the account and Plan information you check regularly, such as account balances and fund prices. TTY service for the hearing impaired can be accessed at 1-800-259-9743, Monday through Friday, from 7 a.m. to 11 p.m. Central time.

### **How do I set up a username and password?**

Your Fidelity username and password are the keys to helping ensure your privacy when accessing your Plan account online or through the automated phone service. You can establish a password online at [umurl.us/Fidelity](http://umurl.us/Fidelity) or through Fidelity's automated telephone system at 1-800-343-0860.

If you forget your username or password, you can establish a new one using the same systems. Your username and password will enable access to your account via both the automated telephone service and online. Once your username and password are set up, you will be asked to enter them at the beginning of all calls and when you log on to your account online.

### **How do I designate my beneficiary?**

If you have not already selected your beneficiary, or if you have experienced a life-changing event such as a marriage, divorce, birth of a child, or a death in the family, it's time to consider your beneficiary designations. Fidelity's Online Beneficiaries Service offers a straightforward, convenient process that takes just minutes. Simply log on to your account at [umurl.us/Fidelity](http://umurl.us/Fidelity) and click Beneficiaries in the Summary section of your Profile. If you do not have access to the Internet or if you prefer to complete your beneficiary information by paper form, please call 1-800-343-0860.



## How do I obtain additional investment option and account information?

The University has appointed Fidelity to provide additional information on the investment options available through the Plans. Also, a statement of your account may be requested by phone at 1-800-343-0860 or reviewed online at [umurl.us/Fidelity](http://umurl.us/Fidelity).

## Who can help me if I have questions?

Retirement representatives are available by phone or in person to assist you. Review the Additional resources section of this guide for websites and contact information.

Before choosing an investment option, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a mutual fund prospectus or, if available, a summary prospectus. For information on fixed annuities offered through Fidelity, contact Fidelity to request a fact sheet. Read them carefully before you invest.

## Investment options overview

Investment options are offered across three tiers. Each tier provides different choices to help you meet your long-term financial goals. You can direct contributions to one or more of these tiers.

- Shaded investment options are index options.
- Investment options not shaded are actively managed options.

<b>Tier 1: Target Date Funds — Fidelity Freedom® Blend - Class K6 Funds</b> <i>A simplified investment approach based on your retirement date</i>	
<ul style="list-style-type: none"><li>• Single-fund approach to choosing and managing plan investments.</li><li>• Diversified portfolio that balances risk and potential reward over time.</li><li>• Ongoing professional management.</li></ul>	
<b>Tier 2: Core Lineup — active funds, index funds and annuities</b> <i>Build your individual portfolio with an array of options.</i>	
<b>Domestic Fixed Income</b>	<b>Ticker</b>
Principal® Guaranteed Interest Balance Contract	N/A*
Fidelity® U.S. Bond Index Fund	BPRIX
PIMCO Income Fund Class A	PONAX
<b>Domestic Equities</b>	
Fidelity® 500 Index Fund	FXAIX
Fidelity® Contrafund® K6	FLCNX
Fidelity® Small Cap Index Fund	FSSNX
Fidelity® Total Market Index Fund	FSKAX
Wasatch Small Cap Value Fund	WMCVX
Baillie Gifford Positive Change Equity Fund Class K	BPEKX
Baillie Gifford Emerging Markets Fund Class K	BGKEX
<b>International Equities</b>	
Fidelity® Total International Index Fund	FTIHX
MFS International Equity Fund Class R6	MIEIX
<b>Tier 3: Self-Directed Brokerage Account</b> For investors looking for specific funds, the brokerage account offers more than 300 fund families and thousands of funds. For specific information regarding this option, please speak with a retirement representative or call <b>1-800-343-0860</b> .	

\* The Principal Fixed Account is not a mutual fund and is underwritten and offered by Principal Life Insurance Company, which guarantees your principal and interest. Information on the Principal Fixed Account was furnished by Principal. Fidelity Investments Institutional Services Company, Inc., and Principal Life Insurance Company are not affiliated. Guarantees are subject to the claims-paying ability of the issuing insurance company.

For up-to-date performance information, investment option descriptions, and other fund specifics, including expense ratios, visit [umurl.us/Fidelity](http://umurl.us/Fidelity).

## Additional resources

Take advantage of the tools and resources available to you. This is a great time to get involved with the VRPs. Schedule a one-on-one consultation to help ensure that you feel more confident about your financial future.

### Schedule a Free One-on-One Confidential Consultation with a Retirement Representative:

- To schedule your appointment with a **Fidelity** retirement representative, visit [umurl.us/retconsult](https://umurl.us/retconsult) or call **1-800-642-7131**, Monday–Friday, from 7 a.m. to 11 p.m. Central time.

### Online

Visit [umurl.us/Fidelity](https://umurl.us/Fidelity)

### Support by Phone

Contact Fidelity at **1-800-343-0860**, Monday–Friday, 7 a.m. to 11 p.m. Central time.

### Retirement Program website

[umurl.us/retirement](https://umurl.us/retirement)

## Notes

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# Office of Human Resources

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## University of Missouri System

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