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The University of Rochester Retirement Program

An Opportunity to Invest in Your Future

Regardless of what retirement means to you now—or will mean when you get there—just about everybody worries about the same thing: financial security. However, few people enjoy a comfortable retirement by accident. It takes careful thought and planning, based on one’s own situation.

The University’s Retirement Program can—through its 403(b) Plan—help you meet your retirement goals in two ways:

• By providing a base of financial security through the Direct Contribution that the University makes on your behalf, and
• By making it possible for you to save additional amounts on a tax-advantaged basis.

Even small amounts of money invested regularly over your career can provide a significant financial resource at retirement.

Most investment experts agree that a reasonable strategy for accumulating retirement income in an amount sufficient to allow you to maintain your pre-retirement lifestyle is to:

• Start saving early,
• Make sure you have an investment plan in mind, and
• Stick with it—making adjustments, of course, to your plan if your circumstances change.

By saving in the University of Rochester Retirement Program today, you are taking advantage of an opportunity to invest in your future.

Highlights of the Retirement Program

There are two parts to the 403(b) Retirement Program—the University’s Direct Contribution and your Voluntary Contributions.

First, the University will make a Direct Contribution to the Retirement Program on your behalf each Plan Year (July 1–June 30), based on the formula described on page 3.

Second, you choose, within limits set forth in the Internal Revenue Code, the amount you wish to contribute to the Retirement Program on a voluntary basis and whether you wish to make your contributions on a pre-tax or Roth after-tax basis or a combination of both.

You decide how both the University’s Direct Contribution and your Voluntary Contributions are invested among a selection of professionally managed funds.

Now, let’s look at the Retirement Program in more detail.
Who Is Eligible

The two parts of the Retirement Program have separate eligibility requirements:

- **Voluntary Contributions**
  As an employee of the University, you may elect to make Voluntary Contributions as soon as you are hired, except that you are not allowed to participate if you are a student whose employment is incidental to your education at the University.

- **University’s Direct Contribution**
  If you are a regular full-time or regular part-time faculty or staff member, the University will make a Direct Contribution on your behalf after two years of service. The University’s Direct Contribution and the earnings on that Contribution accumulate on a tax-deferred basis until you take a distribution.

  Time-as-Reported (TAR) staff are eligible if they satisfy the two-year service requirement described above. Additionally, TAR staff must work a minimum of 1,000 hours per Plan Year to receive the University’s Direct Contribution.

  For eligibility purposes, a year of service means a 12-month period starting with the date you commence employment and any anniversary date thereof during which you complete 1,000 or more hours of service.

  Service completed at any higher education institution, teaching hospital, not-for-profit research foundation, or not-for-profit support organization for higher education institutions, as well as service as a member of the controlled group of the University, will count towards the two-year service requirement. To receive this service credit, you must complete a Retirement Service Credit Form, which is available at [www.rochester.edu/benefits/retirement](http://www.rochester.edu/benefits/retirement). If this form is received more than 90 days after your appointment to the University or your change to an eligible status, it will not be processed retroactively.

**Note:** You are not eligible to receive the University’s Direct Contribution if you are a temporary employee, departmental fellow, intern, resident, fellow, postdoctoral fellow, postdoctoral research associate, postdoctoral teaching fellow, EDC associate, non-GFT clinical faculty, visiting faculty, adjunct/per session faculty, part-time assistant coach, in-house agency nurse, in-house operating room technician, leased employee, or student whose employment is incidental to your education at the University, or if the University treats you as an independent contractor (regardless of your actual status).

How You Become a Participant

To start receiving the University’s Direct Contribution—or to begin making Voluntary Contributions—you must enroll.
The University’s Direct Contribution

Once you are enrolled and have met the two-year service requirement, the University makes a Direct Contribution to the Retirement Program on your behalf each Plan Year you are either scheduled to complete or actually complete 1,000 or more hours of service. For the Plan Year during which you satisfy the eligibility requirements, Direct Contributions will be made only for Base Salary paid for full payroll periods after you satisfy the eligibility requirements (i.e., after you complete two years of service). The University's Direct Contribution is related to your Base Salary* during the Plan Year (July 1–June 30) according to the following formula:

### The University’s Direct Contribution Formula for the July 1, 2013–June 30, 2014 Plan Year

\[
\begin{align*}
&6.2\% \times \text{Base Salary}^* \text{ up to the breakpoint of } $51,346^{**} \\
&+ 10.5\% \times \text{Base Salary}^* \text{ in excess of } $51,346^{**} \text{ up to the IRS limit ($255,000^{***})}
\end{align*}
\]

*Base Salary means, in the case of nonexempt staff and Professional/Administrative/Supervisory (PAS) staff in salary grades 50–55, gross wages (as defined on page 24) and, in the case of faculty and PAS staff in salary grades 56 and above, annual base pay rate plus summer compensation. In addition, for faculty under the School of Medicine and Dentistry Faculty Compensation Plan, overage paid as extra compensation is included. Base Salary shall not include any amount in excess of the limit imposed by Internal Revenue Code section 401(a)(17) as of the start of each Plan Year.

**This breakpoint amount applies to the Plan Year commencing July 1, 2013 and will be indexed annually for subsequent Plan Years based on national changes in average wages. The breakpoint for the Plan Year commencing July 1, 2012 is $50,542.

***The IRS limit will be indexed in $5,000 increments. The IRS limit for the Plan Year commencing July 1, 2012 is $250,000.

### How the Formula Works

Let’s look at how the Direct Contribution formula would work for the Plan Year July 1, 2013–June 30, 2014 at two different salary levels—one that is below $51,346 and one that is above $51,346.

<table>
<thead>
<tr>
<th>Example 1—$25,000 Annual Base Salary</th>
<th>Example 2—$65,000 Annual Base Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6.2% of Base Salary up to $51,346</strong> (6.2% x $25,000)</td>
<td><strong>6.2% of Base Salary up to $51,346</strong> (6.2% x $51,346)</td>
</tr>
<tr>
<td>$1,550.00</td>
<td>$3,183.45</td>
</tr>
<tr>
<td><strong>plus</strong></td>
<td><strong>plus</strong></td>
</tr>
<tr>
<td><strong>10.5% of Base Salary above $51,346</strong> (not applicable)</td>
<td><strong>10.5% of Base Salary above $51,346</strong> (10.5% x $13,654)</td>
</tr>
<tr>
<td>$0</td>
<td>$1,433.67</td>
</tr>
<tr>
<td><strong>Total Annual University Direct Contribution</strong></td>
<td><strong>Total Annual University Direct Contribution</strong></td>
</tr>
<tr>
<td>$1,550.00</td>
<td>$4,617.12</td>
</tr>
</tbody>
</table>
Your Voluntary Contributions

The University gives you the opportunity to supplement the retirement income provided by the Direct Contribution with your own Voluntary Contributions.

To make Voluntary Contributions, you must enter into an agreement with the University to reduce your salary by the amount of your contributions. You may change or stop the percentage or dollar amount that you elect for your Voluntary Contributions anytime during the year. You may also select Auto Save, which is an enrollment feature that’s designed to make it easier and more convenient than ever to set aside additional money for retirement. The Auto Save feature automatically increases your Voluntary Contributions once each year by 1% on the first pay date following July 16th.

You may make your Voluntary Contributions in one of the two ways listed below or a combination of both:

1. **Pre-Tax 403(b)**—Tax-deferred Voluntary Contributions are deducted from your gross wages before amounts are taken out for income taxes and deductions. This reduces your taxable income by the amount of your Voluntary Contributions, which means you pay less in income taxes. However, Voluntary Contributions are subject to Social Security and Medicare taxes.

   Making Voluntary Contributions to the University’s Retirement Program on a pre-tax basis gives you a tax break now, by lowering your current taxable income. You don’t pay taxes on your contributions or any earnings until you take the money out, typically in retirement.

2. **Roth After-Tax 403(b)**—With the Roth after-tax option, your contribution is taken out of your paycheck after your income is taxed, which does not lower your current taxes. However, when you withdraw the Roth after-tax portion of your Voluntary Contributions, you won’t pay taxes on any earnings on your Roth after-tax contributions, as long as you’re at least age 59½ (or die or become disabled) and your withdrawal is made at least five years after making your first Roth after-tax contribution.* Withdrawals of Roth after-tax contributions are generally tax-free since you have already paid the taxes on the contributions.

   Which choice, pre-tax or Roth after-tax contributions, is best for you depends on your situation. Generally, if you anticipate being in a higher tax bracket during retirement, you’ll benefit from making Roth after-tax contributions. If you think you’ll be in a lower tax bracket at retirement, pre-tax contributions may be the way to go. Because choosing between the tax implications associated with pre-tax and Roth after-tax contributions is complicated, you should consult with a tax advisor regarding your best option.

   If you make a Roth after-tax contribution and take a distribution of such contribution before attaining age 59½ or within 5 years of making your first Roth after-tax contribution to the Retirement Program, you will be taxed on the earnings attributable to your after-tax Roth contribution. For example, assume that your Roth 403(b) account holds $10,000, consisting of $9,400 in contributions and $600 in investment earnings, you terminate employment at age 40, and you withdraw 50% of the account ($5,000). Because you are younger than age 59½, the amount you receive is a nonqualified distribution, and it will be treated partly as a tax-free return of contributions ($4,700) and partly as taxable investment earnings ($300) based on the pro rata portion of the distribution that is treated as a Roth after-tax contribution versus earnings.

*The five-year period begins on the first day of the year in which you make the first contribution to your Roth after-tax account.
Rollover Contributions

You may be able to “roll” a distribution from another unrelated employer’s plan and certain IRAs to the Retirement Program, provided that the distributing plan or IRA was qualified and the following requirements are met:

- The distribution was not a required minimum distribution because of your age (70½ or older);
- The distribution was not part of a series of substantially equal periodic payments paid over 10 or more years, your lifetime, or the lifetimes of you and your beneficiary;
- The rollover does not include your own after-tax contributions; and
- The rollover was not a hardship distribution.

If you have any questions about rollover contributions or would like to initiate a rollover into the Retirement Program, contact the recordkeeper, TIAA-CREF. You are fully vested in your rollover contributions and such contributions will be subject to the same withdrawal rules that apply to your Voluntary Contributions.

In the event of your death, your spouse or non-spouse beneficiary may also have the ability to roll over benefits. If you want to know more about these rollover opportunities, please contact TIAA-CREF.

When You Are Vested

You are always fully vested in both the University’s Direct Contribution and your Voluntary Contributions. This means you are entitled to the full value of these contributions if you are no longer employed by the University or members of its controlled group for any reason.

Contribution Limits

Your combined pre-tax and Roth after-tax Voluntary Contributions to the Retirement Program may be made in any amount up to the limits imposed by the Internal Revenue Code. In general, for calendar year 2013, your own Voluntary Contributions may not exceed $17,500. If you will be age 50 or older by the end of the year, however, your Voluntary Contributions limit can be increased by an additional $5,500 (for a total of $23,000). Certain employees with 15 or more years of service with the University or members of its controlled group may be able to contribute up to an additional $3,000 per year. Additionally, the aggregate contributions made by you and the University and members of its controlled group may not exceed $51,000. Finally, despite the foregoing dollar limits, total contributions may not exceed 100% of your gross wages. These annual limits will be subject to inflation adjustments in future years.

Note: Please be aware that any employee contributions made to another employer’s plan in the current calendar year count in applying the employee contribution limits (i.e., the $17,500 and $23,000 limits).

If during the year you participate in another 403(b) plan or control a business and participate in a defined contribution retirement plan through that business, the amounts contributed on your behalf under the Retirement Program may have to be aggregated with contributions under the other plan(s) when applying the above IRS limits. Generally, you will be deemed to be in control of another business if you own, directly or indirectly, more than 50% of the other business. Please contact the Plan Administrator if these aggregation rules could apply to you so that appropriate actions can be taken to ensure that you do not run afoul of the IRS limits. There can be significant adverse tax consequences if you do not comply with these rules.
How Your Contributions Can Build Up

Over the years, the combination of Voluntary Contributions and the University’s Direct Contribution can build up, providing you with the foundation you need for a secure retirement. The chart below shows how Voluntary Contributions can grow during your years of participation at various contribution levels, assuming an initial Base Salary level of $30,000. The University’s Direct Contribution would add even more to the amounts shown.

The estimate of growth in contributions assumes:

- You start to make Voluntary Contributions equal to 3%, 5%, or 8% of Base Salary as of your date of hire.
- You earn an annual rate of return of 6% on your contributions.
- Your Base Salary increases at the rate of 3% per year for the entire duration of your participation.
- You do not take any withdrawals and do not change the rate of your Voluntary Contributions.

When you are ready to retire, you may use your contributions to purchase an annuity, receive periodic installment payments, or receive your retirement account in one lump sum subject to the terms of your investment option.
Three Investment Strategies

The Retirement Program offers you three strategies to invest for retirement.

<table>
<thead>
<tr>
<th>Strategy 1</th>
<th>Strategy 2</th>
<th>Strategy 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-Step Investing</strong> (Target Date Funds*)</td>
<td><strong>Mix Your Own—Select Choice</strong> (Passively and Actively Managed Funds and Annuities)</td>
<td><strong>Self-Directed Brokerage Account (SDBA)</strong></td>
</tr>
<tr>
<td>You can choose a target date fund offering a diversified retirement portfolio in a single fund. Target date funds offer a convenient way to have your retirement savings professionally managed, broadly diversified, and automatically rebalanced. With a target date fund, you only need to select the fund closest to the year of your expected retirement, and the fund's managers do the rest. Each target date fund consists of underlying mutual funds that invest in a broad range of stocks and bonds. Over time, the fund automatically readjusts the mix of investments to reduce the level of risk as you move through your career and into retirement. <strong>Best for:</strong> Investors who want to leave investment allocation decisions to professional fund managers.</td>
<td>You can create your portfolio by choosing options from the Retirement Program’s investments. These investment choices cover the major asset classes—equities, fixed income, real estate, guaranteed, and money market—providing building blocks for a diversified retirement portfolio. You also have access to “active” funds (managers select underlying investments with the goal of outperforming the general market and/or a market index) and “passive” funds (managers attempt to mirror the performance of a specific market index, such as the S&amp;P 500 Index). Passive funds generally have lower operating costs than active funds due to less active trading. <strong>Best for:</strong> Investors who believe the funds on the new menu offer good long-term growth opportunities and want some ability to choose their own investments.</td>
<td>Available from TIAA-CREF Brokerage Services, the SDBA lets you invest among thousands of mutual funds from hundreds of fund families not available on the new menu, including mutual funds from Fidelity, T. Rowe Price, and Vanguard. An SDBA can give you greater flexibility to diversify and manage your portfolio. <strong>Best for:</strong> Sophisticated investors who want to assume responsibility for selecting investments among a large range of choices and closely monitoring their portfolio. (See pages 12–13 for additional information about the SDBA.)</td>
</tr>
</tbody>
</table>

*As with all mutual funds, the principal value of a target date fund isn't guaranteed. Also, the target date represents an approximate date when investors may plan to begin withdrawing from the fund. After the target date has been reached, some of these funds may be merged into a fund intended to have a more stable asset allocation.
Which Strategy Is Right for You

The following scenarios show how the investment menu will affect hypothetical investors.

<table>
<thead>
<tr>
<th>Alex</th>
<th>Jen</th>
<th>Elena</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-Step Investing</strong></td>
<td><strong>Mix Your Own—Select Choice</strong></td>
<td><strong>Self-Directed Brokerage Account</strong></td>
</tr>
<tr>
<td>When it comes to investing for retirement, Alex likes to keep things simple. He's not an experienced investor and doesn't have time to choose and manage a lot of funds. So, a target date fund appeals to him. That's because a target date fund is a premixed, professionally managed group of investments that reflect the time he has until he expects to retire. Target date funds are designed to make retirement investing simple. All Alex has to do is choose the fund closest to the year he expects to retire. The fund's managers will then adjust the mix over time, so his fund gets more conservative as he nears retirement. If you're like Alex and aren't into actively choosing and managing your retirement investments, a target date fund may be the choice for you. Jen wants to be more involved in her investing strategy than she would be with a target date fund. As a result, she'll create her own mix of investments among the passively and actively managed mutual funds and annuity accounts on Tier 2 of the new investment menu. Since she wants part of her savings to create a guaranteed income stream when she retires, she will invest in some of the annuity accounts, which offer the option for income in retirement. Strategy 2 offers these investment options to her. By going with select mutual funds and annuity accounts, Jen has some choice and control to match her needs, while keeping retirement investing easy. Maybe that's what you're looking for, too? When it comes to her retirement investments, Elena wants plenty of choices. That's why she's considering Strategy 3, and putting her savings in the SDBA. With an SDBA, Elena is willing to research, select, and manage mutual funds on her own. The brokerage window gives her the widest range of choices for her investments. Along with more flexibility comes more responsibility—choosing the appropriate funds can take a lot of time! But Elena is okay with this, because she sees herself as an experienced, knowledgeable investor who wants lots of control over her investments. The SDBA isn't for most investors, but if you're like Elena, it may be for you.</td>
<td></td>
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</tr>
</tbody>
</table>
Your Investment Menu

Your investment menu consists of a wide range of mutual funds from well-known financial providers. These choices give you the flexibility to create a retirement portfolio that’s aligned with your investment preferences and goals. More information on these funds, including performance, can be found at [www.tiiaa-cref.org/rochester](http://www.tiiaa-cref.org/rochester) under “Investment Choices.”

You may allocate the University’s Direct Contribution and your Voluntary Contributions among the same or different funds. You may also change your future allocations as often as you wish. Changing the investment of your existing accounts is subject to the terms of the investment fund which holds these accounts.

If you fail to complete the enrollment or investment election process and, therefore, do not provide direction on how you want to have your contributions invested, then those contributions will be invested in a “default” fund. If you fail to provide any investment instructions for the University’s Direct Contribution, such contributions will be invested in the age-appropriate target date fund based on your date of birth, as shown in the following chart:

### Vanguard Target Retirement Fund Table

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Ticker Symbol</th>
<th>Date of Birth Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Target Retirement Income Fund</td>
<td>VTINX</td>
<td>01/01/1900–12/31/1942</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2010 Fund</td>
<td>VTENX</td>
<td>01/01/1943–12/31/1947</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2015 Fund</td>
<td>VTXVX</td>
<td>01/01/1948–12/31/1952</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2020 Fund</td>
<td>VTWNX</td>
<td>01/01/1953–12/31/1957</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2025 Fund</td>
<td>VTTVX</td>
<td>01/01/1958–12/31/1962</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2030 Fund</td>
<td>VTHRX</td>
<td>01/01/1963–12/31/1967</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2035 Fund</td>
<td>VTTHX</td>
<td>01/01/1968–12/31/1972</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2040 Fund</td>
<td>VFORX</td>
<td>01/01/1973–12/31/1977</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2045 Fund</td>
<td>VTIVX</td>
<td>01/01/1978–12/31/1982</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2050 Fund</td>
<td>VFFIX</td>
<td>01/01/1983–12/31/1987</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2055 Fund</td>
<td>VFFVX</td>
<td>01/01/1988–12/31/1992</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2060 Fund</td>
<td>VTTSX</td>
<td>01/01/1993–Present</td>
</tr>
<tr>
<td>Strategy</td>
<td>Tier</td>
<td>Fund Type</td>
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<tr>
<td>----------</td>
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</tr>
<tr>
<td>Strategy 1: One-Step Investing</td>
<td>Tier 1: Target Date Fund Series</td>
<td>Target Date</td>
</tr>
<tr>
<td>Strategy 2: Mix Your Own—Select Choice</td>
<td>Tier 2: Core Funds—Passively Managed</td>
<td>Fixed Income</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Large Cap Equity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All Cap Equity</td>
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<td></td>
<td></td>
<td>Small/Mid Cap Equity</td>
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<tr>
<td></td>
<td></td>
<td>Non-U.S. Equity</td>
</tr>
<tr>
<td></td>
<td>Tier 2: Core Funds—Actively Managed</td>
<td>Capital Preservation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fixed Income</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Large Cap U.S. Value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Large Cap U.S. Growth</td>
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<tr>
<td></td>
<td></td>
<td>Large Cap U.S. (Socially Responsive)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Small/Mid Cap Value</td>
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<tr>
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<td>Small/Mid Cap Growth</td>
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<td></td>
<td>Global Equity</td>
</tr>
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<td></td>
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<td>Non-U.S. Equity</td>
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<tr>
<td>Strategy 3: Self-Directed Brokerage Account</td>
<td>Tier 3: Annuities</td>
<td>Annuity</td>
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<td></td>
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<td>Annuity</td>
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<tr>
<td></td>
<td></td>
<td>Money Market</td>
</tr>
<tr>
<td></td>
<td>Tier 4: Self-Directed Brokerage Account</td>
<td>Mutual Fund Window</td>
</tr>
</tbody>
</table>

*There are seven “frozen” funds, which are investment options that are closed to contributions and transfers in as of June 15, 2012: CREF Bond Market Account; CREF Equity Index Account, CREF Global Equities Account, CREF Growth Account, CREF Inflation-Linked Bond Account, CREF Social Choice Account, and TIAA Real Estate Account.

Please read the prospectus and consider the investment objectives, risks, charges, and expenses carefully before investing.

Note: Participants with non-U.S. mailing addresses are subject to certain investment restrictions, including restrictions on purchases within the Self-Directed Brokerage Account. In addition, if you did not reside in the U.S. at the time of initial contributions to the Retirement Program, you may have restrictions on purchases of mutual funds.
Recordkeeper

TIAA-CREF is the selected recordkeeper for the Retirement Program. The term “recordkeeper” refers to a financial company responsible for keeping the records and accounts of a retirement plan and its participants. The recordkeeper will administer the funds and provide account statements, integrated investment advice/education, and plan distributions for participants.

University Contributions will be directed to a GRA* account and Voluntary Contributions will be directed to a GSRA** account with TIAA-CREF. The difference between the GRA and GSRA accounts has to do with loans, withdrawals and transfer flexibility, and rates of return. The GSRA account offers a loan provision.

Specifically for the TIAA Traditional Annuity, if you invest in this fund in the GRA account, it generally pays a higher rate of return than the GSRA account; however, lump-sum withdrawals are available only within 120 days after termination of employment and are subject to a 2.5% surrender charge. All other withdrawals and transfers from the account must be spread over ten annual installments (over five years for withdrawals after termination of employment).

If you invest in the TIAA Traditional Annuity in the GSRA account, it generally pays a lower rate of return than the GRA account; however, there are no restrictions on withdrawals and transfers.

Need Help Selecting Your Investments?

A TIAA-CREF Consultant can help you select the accounts and funds appropriate for your investment goals. This service is available at no additional cost to you. To schedule your session, call 800 410-6497, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).

Remember, in regard to all investment options under the Retirement Program, no one can predict the future. Although growth of your investments is an objective of the Retirement Program, it cannot be ensured. The Retirement Program is intended to meet the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended. Accordingly, because you have the right to supervise and direct how your account is invested among available investment funds, Retirement Program fiduciaries may be relieved of liability for losses, if any, that occur as a direct result of your investment instructions. The University and plan fiduciaries have no responsibility or duty to approve, review, or monitor the investment choices you make and are not responsible for the consequences of your investment elections. Accordingly, it is important that you carefully consider your investment choices.

*GRA replaced Retirement Annuity (RA) option effective July 6, 2004.
**May include Supplemental Retirement Annuity (SRA) established prior to July 1, 1992.
Using the Self-Directed Brokerage Account (SDBA) Option

The Retirement Program offers the opportunity to open a TIAA-CREF Self-Directed Brokerage Account. A brokerage account allows you a virtually unlimited choice of mutual funds and providers not available on the Retirement Program’s investment menu. Opening a brokerage account can give you greater flexibility to diversify and manage your portfolio but can also expose you to additional investment risks.

The TIAA-CREF Self-Directed Brokerage Account is best suited for investors who are willing to assume responsibility for selecting investments from among a large range of choices and closely monitoring their retirement portfolio. If you lack the time or expertise to actively manage your portfolio, a Self-Directed Brokerage Account may not be appropriate for your needs. It is important to note that the University will not monitor the investment performance or fees associated with any of the funds offered through a Self-Directed Brokerage Account. It is your responsibility to research and monitor the funds that you choose for this account.

Greater Flexibility
Once you open a Self-Directed Brokerage Account, you can transfer 100% of any accumulations you have in your Retirement Program with TIAA-CREF to your Self-Directed Brokerage Account and back again. Certain restrictions apply. Minimum dollar amounts may apply to both your initial transfer amount and to subsequent transactions, as set by the mutual fund company. You need to establish a separate Self-Directed Brokerage Account for each retirement account you wish to direct funds from under the Retirement Program.

A Wide Range of Mutual Fund Choices
You can choose from among thousands of mutual funds on the brokerage platform, including more than 800 no-transaction-fee mutual funds.* Please keep in mind that returns for mutual funds are not guaranteed, and you assume all the risks associated with investing in them. You can view the list of fund families by going to www.tiaa-cref.org/brokerage.

Control and Convenience
Once you establish your Self-Directed Brokerage Account, you can place orders to buy, sell, or transfer fund shares by going to www.tiaa-cref.org/rochester. You can also use TIAA-CREF’s Automated Telephone Service (ATS) by calling 800 842-2252, 24 hours a day, seven days a week. Please note that minimum dollar amounts and other restrictions may apply, as described in each fund’s current prospectus.

*Other fees and expenses apply and are described in each fund’s current prospectus.
Fees
The annual $40 maintenance fee has been waived for the Retirement Program, although transaction fees may apply, depending on your fund choices. To learn more about the fees associated with the brokerage account, see the chart below. You can also learn about these fees by visiting the brokerage services website at [www.tiaa-cref.org/brokerage](http://www.tiaa-cref.org/brokerage).

<table>
<thead>
<tr>
<th>Type</th>
<th>Initial Cost</th>
<th>Exchanges</th>
<th>Short-Term Redemption</th>
<th>Short-Term Redemption/Fund Co. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Fee Funds</td>
<td>$35 Buy or Sell</td>
<td>$8.00 per trade</td>
<td>N/A</td>
<td>Varies by Fund—Consult Prospectus</td>
</tr>
<tr>
<td>Non-Transaction Fee Funds</td>
<td>$0 Buy or Sell</td>
<td>N/A</td>
<td>$50.00</td>
<td>Varies by Fund—Consult Prospectus</td>
</tr>
<tr>
<td>Load Funds</td>
<td>Sales Charge/Varies by Fund—Consult Prospectus</td>
<td>N/A</td>
<td>Dependent on the Fund Family</td>
<td>Varies by Fund—Consult Prospectus</td>
</tr>
</tbody>
</table>

You also can learn more about the SDBA by reviewing the brokerage flyer at [www.tiaa-cref.org/rochester](http://www.tiaa-cref.org/rochester).

Diversifying Your Savings
To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Retirement Program. No single approach is right for everyone, because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. Therefore, you should understand your diversification rights and exercise these rights to affect how your money is invested under the Retirement Program.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Retirement Program to help ensure that your retirement savings will meet your retirement goals. For more information about individual investing and portfolio diversification, visit the Department of Labor’s website at [www.dol.gov/ebsa/investing.html](http://www.dol.gov/ebsa/investing.html).
How to Enroll and/or Make Changes

The following chart shows the action you need to take to initiate enrollment in the Retirement Program, change future investment allocations, or change existing account balances.

<table>
<thead>
<tr>
<th><strong>Online:</strong></th>
<th><strong>By phone:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To enroll for a new account</strong></td>
<td><strong>Call 800 410-6497, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET). (Please note that telephone enrollment requires a signature for new accounts)</strong></td>
</tr>
<tr>
<td>Go to <a href="http://www.tiaa-cref.org/rochester">www.tiaa-cref.org/rochester</a>, and click “Enroll/Change”</td>
<td></td>
</tr>
<tr>
<td>Click “Register with TIAA-CREF” and complete online registration</td>
<td></td>
</tr>
<tr>
<td>Click “Get Started”</td>
<td></td>
</tr>
<tr>
<td>Follow the on-screen instructions to complete your enrollment online</td>
<td></td>
</tr>
<tr>
<td><strong>To change your voluntary contribution amount</strong></td>
<td><strong>Call 800 410-6497, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET)</strong></td>
</tr>
<tr>
<td>Go to <a href="http://www.tiaa-cref.org/rochester">www.tiaa-cref.org/rochester</a>, and click “Enroll/Change”</td>
<td></td>
</tr>
<tr>
<td>Enter your TIAA-CREF User ID</td>
<td></td>
</tr>
<tr>
<td>Enter password and security question</td>
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</tr>
<tr>
<td>Select “Schedule a Change” and complete your salary deferral agreement</td>
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</tr>
<tr>
<td>Follow the on-screen instructions to complete changing your voluntary contribution amount</td>
<td></td>
</tr>
<tr>
<td><strong>To change your investment allocation</strong></td>
<td><strong>Call 800 410-6497, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET)</strong></td>
</tr>
<tr>
<td>Go to <a href="http://www.tiaa-cref.org/rochester">www.tiaa-cref.org/rochester</a>, and click “Log In”</td>
<td></td>
</tr>
<tr>
<td>Enter your TIAA-CREF User ID</td>
<td></td>
</tr>
<tr>
<td>Enter password and security question</td>
<td></td>
</tr>
<tr>
<td>Select “Manage My Portfolio”</td>
<td></td>
</tr>
<tr>
<td>Select “Change my allocation of future contributions,” choose the applicable plan, and enter your investment allocation instructions</td>
<td></td>
</tr>
<tr>
<td><strong>To transfer funds</strong></td>
<td><strong>Call 800 410-6497, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET)</strong></td>
</tr>
<tr>
<td>Go to <a href="http://www.tiaa-cref.org/rochester">www.tiaa-cref.org/rochester</a>, and click “Log In”</td>
<td></td>
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<td>Enter your TIAA-CREF User ID</td>
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<tr>
<td>Enter password and security question</td>
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<tr>
<td>Select “Manage My Portfolio”</td>
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<tr>
<td>Select “Change my investments,” choose the applicable plan, and enter your investment instructions</td>
<td></td>
</tr>
<tr>
<td><strong>To change your beneficiary designation</strong></td>
<td><strong>Call 800 410-6497, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET)</strong></td>
</tr>
<tr>
<td>Go to <a href="http://www.tiaa-cref.org/rochester">www.tiaa-cref.org/rochester</a>, and click “Log In”</td>
<td></td>
</tr>
<tr>
<td>Enter your TIAA-CREF User ID</td>
<td></td>
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<tr>
<td>Enter password and security question</td>
<td></td>
</tr>
<tr>
<td>Go to “I want to...” on right side of landing page</td>
<td></td>
</tr>
<tr>
<td>Select “Update my beneficiaries”</td>
<td></td>
</tr>
<tr>
<td>Select “Account View” or “Beneficiary View” based on the update needed and enter your beneficiary changes</td>
<td></td>
</tr>
<tr>
<td><strong>Self-Directed Brokerage Account (SDBA)</strong></td>
<td><strong>Call 800 410-6497, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET)</strong></td>
</tr>
<tr>
<td>For information on how to enroll and/or make changes to your SDBA account, review the Brokerage Set-Up and Fees brochure at <a href="http://www.tiaa-cref.org/rochester">www.tiaa-cref.org/rochester</a>, under Plans and Investments</td>
<td></td>
</tr>
</tbody>
</table>
Transfer of Funds

You have the flexibility to transfer investment amounts among your investment options whenever you wish, except those imposed by specific investment options. The type of transfer you may make is based on the type of fund in which you are investing.

- **Any mutual fund and CREF variable annuity funds**—You can transfer in full to other investment options available in the Retirement Program without restrictions, except those imposed by specific investment options. Frequent trading of shares of a mutual fund may increase the fund’s expenses and negatively impact the liquidity of the fund. Further, it can adversely affect the fund’s performance. As a result, many investment funds have implemented trading restrictions as a way to help prevent potentially disruptive short-term trading. The most up-to-date information about your investment options can be found online at [www.tiaa-cref.org/rochester](http://www.tiaa-cref.org/rochester).

- **TIAA Traditional Annuity in GRA Account**—Under the TIAA Transfer Payout Annuity (TPA), you can transfer up to 100% of your TIAA Traditional Annuity accumulation (University and/or Voluntary) over a period of 9 years, in substantially equal annual installments, to other investment options available in the Retirement Program.

- **TIAA Real Estate (this is a frozen fund and no new contributions and transfers in are permitted after June 15, 2012)**—You can transfer some or all of your accumulations (University and/or Voluntary) once every calendar quarter to other investment options available in the Retirement Program.

Investment Statements

You will receive statements quarterly from TIAA-CREF which show the status of your accounts. These statements include the total current value of your account for the report period and the current value of your account for each of your investments (including gains or losses). Your account balances under the Retirement Program may be reduced by Plan expenses. If you notice any problems in your investment statements, you should notify TIAA-CREF immediately.

When You May Withdraw Retirement Program Accumulations

Retirement accumulations derived from the *University’s Direct Contribution* may be withdrawn when you have a severance from employment from the University and members of its controlled group, or after age 70½ for any reason. In addition, if you are a retiree of the University over the age of 59½ who has returned to work at the University or a member of its controlled group, you may withdraw retirement accumulations derived from the University’s Direct Contribution.

Retirement accumulations derived from *Voluntary Contributions* may be withdrawn when you have a severance from employment from the University and members of its controlled group, or after age 59½ for any reason.

**Note:** Balances in the TIAA Traditional Annuity in the GRA account* are generally subject to the 9-year payout rule stated above. However, these funds in the GRA account may be withdrawn in a lump sum during the 120-day window period following severance from employment from the University and members of its controlled group.

In addition, before age 59½, retirement accumulations derived from Voluntary Contributions may be withdrawn if you become disabled.

*For those who have a TIAA RA established prior to July 1, 2004, the same rules apply.*
You may also take a hardship withdrawal before age 59½ based on an immediate and heavy financial need that cannot be satisfied from other sources. An immediate and heavy financial need means amounts required (1) for expenses incurred for medical care for you, your spouse, or your dependent; (2) for the purchase of your principal residence; (3) for the tuition or related education fees for post-secondary education for you, your spouse, or your dependent; (4) to prevent eviction or mortgage foreclosure on your principal residence; (5) to pay for burial or funeral expenses for your parents, spouse, or dependents; or (6) to pay expenses for the repair of damage to your principal residence that would qualify for the casualty deduction. No hardship distribution is permitted unless you have first taken all loans available to you under this or any other plan, unless the loan itself would result in a financial hardship. Additionally, you may not make any contributions to any retirement plan of the University or members of its controlled group for at least six months following the hardship withdrawal. Hardship withdrawals are available only from your Voluntary Contributions.

If you die prior to the start of retirement benefits, your retirement accumulations derived from University and Voluntary Contributions will be paid to your beneficiary(ies).

Withdrawals you take before age 59½ may be subject to an additional 10% early distribution penalty (on top of ordinary income taxes that may apply). Generally, the additional 10% tax does not apply to (1) withdrawals that are paid after you sever from employment with the University and members of its controlled group during or after the year you reach age 55; (2) withdrawals that are paid to you on or after the date you attain age 59½; (3) withdrawals that are paid because you retire due to a “disability” as defined by the IRS; (4) withdrawals that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary’s lives or life expectancies) after you sever from employment with the University and members of its controlled group; (5) withdrawals that are paid directly to the government to satisfy a federal tax levy; (6) withdrawals that are paid to an alternate payee under a qualified domestic relations order; (7) withdrawals that do not exceed the amount of your deductible medical expenses; (8) withdrawals that are paid to your beneficiary after your death; or (9) a qualified reservist distribution attributable to elective deferrals. See IRS Form 5329 for more information on the additional 10% tax.

Summary of When You May Withdraw Accumulations

<table>
<thead>
<tr>
<th>University’s Contribution</th>
<th>Voluntary Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Upon severance from employment from the University and members of its controlled group</td>
<td>• Upon severance from employment from the University and members of its controlled group</td>
</tr>
<tr>
<td>• If you are a retiree and have returned to work, after age 59½</td>
<td>• After age 59½ for any reason</td>
</tr>
<tr>
<td>• After age 70½ for any reason</td>
<td>• Prior to age 59½ if you:</td>
</tr>
<tr>
<td></td>
<td>– Become disabled</td>
</tr>
<tr>
<td></td>
<td>– Qualify for a hardship withdrawal</td>
</tr>
</tbody>
</table>
**Loans**

A loan provision is available against the pre-tax accumulation from your Voluntary Contributions in your Group Supplemental Retirement Annuity (GSRA) account. Please note that Roth after-tax accumulations are not available for a loan.

Loans are available from a minimum of $1,000 to a maximum of $50,000 (for purposes of determining the $50,000 maximum, all loans by all qualified plans sponsored by the University and its controlled group need to be added together). Your available loan amount is the least of: a) 45% of your Voluntary Contributions in your GSRA account accumulations; b) 90% of your TIAA Traditional accumulation in your GSRA account; or c) $50,000. You have from one to five years to repay your loan, or up to ten years if you use the loan solely to purchase your primary residence. Other IRS and Retirement Program rules apply to loans, so please call a TIAA-CREF Consultant for more detailed information on loans at 800 410-6497.

Loans cannot be taken against your retirement accumulations arising from the University’s Direct Contribution.

**About Taxes**

Since the pre-tax portion of the money in the Retirement Program has not been taxed, it will generally be subject to ordinary income tax when it is paid out to you. In other words, you will pay taxes on the University's Direct Contribution, your own pre-tax Voluntary Contributions, and the earnings on both.

Generally, Roth after-tax 403(b) contributions are not subject to income tax since you already paid taxes on the contributions. You also will not pay income tax on any earnings on your Roth after-tax contributions as long as you're at least age 59½ (or die or become disabled) and your withdrawal is made at least five years after making your first Roth after-tax contribution. The five-year period begins on the first day of the year in which you make the first contribution to your Roth after-tax account.

Federal law generally requires 20% income tax withholding from taxable retirement distributions paid to you in a lump sum or in installments over less than a 10-year period from pre-tax Voluntary Contributions, the University's Direct Contribution, and non-qualifying Roth after-tax Voluntary Contributions—unless the money is rolled over directly to an IRA or another employer's qualified plan. Withholding is permitted but not required from retirement benefits paid to you as a hardship distribution, as lifetime income, as a series of substantially equal payments over a period of ten or more years, or as minimum required distributions, but the benefits will be subject to taxation.

If you roll your distribution from the Retirement Program to an IRA or another employer's qualified plan, you will defer payment of taxes, if applicable, on your distribution. You may roll over any distribution from the Retirement Program that qualifies as an eligible rollover distribution. In general, any distribution from the Retirement Program is an eligible rollover distribution if:

- The distribution was not a required minimum distribution because of your age (70½ or older),
- The distribution was not part of a series of substantially equal periodic payments paid over 10 or more years, and
- The distribution was not a hardship distribution.

You may choose to have an eligible rollover distribution rolled directly to an IRA or to another employer’s plan that accepts rollovers. Alternatively, your eligible rollover distribution may be paid to you and you can then roll it over to an IRA or another employer's plan within 60 days of the date you receive the distribution (except that you cannot roll over after-tax contributions after they have been paid to you). If you die, your beneficiary will have direct rollover rights that are similar to your rights, except that any nonspouse beneficiary can make direct rollovers only to an IRA.
If an eligible rollover distribution is paid to you, however, the Retirement Program is required by law to withhold 20% of your taxable distribution as federal income tax withholding. If you are paid the distribution and subsequently roll it over, the amount withheld must be replaced by you from another source and rolled over with the rest of your distribution in order for you to avoid income tax and possible early distribution penalties on the amount withheld. You will receive a credit for the taxes initially withheld when you file your income tax return.

It is recommended that when you take a distribution from any investment fund you consult a tax advisor. The tax implications of the various methods of payment are complex. Someone familiar with your personal situation and the applicable tax laws would be in the best position to assist you in making decisions about choosing your payment options.

Methods of Payment

When you withdraw your Retirement Program accumulations, you may choose from among several methods of payment. As you review the options shown on page 19, please note that you may select more than one method of payment. As noted above, you also may elect to transfer or roll over your investments to an Individual Retirement Account (IRA),* another 403(b) plan, a 401(k) plan, or any other qualified retirement plan in which you participate, if the plan accepts the rollover. You may request more detailed information about the various payment options from TIAA-CREF directly.

Once you are eligible and wish to receive benefits from the Retirement Program, you may contact TIAA-CREF to receive the distribution forms that you will need to complete to begin payments from your accounts. In the event of a withdrawal due to hardship or disability, please contact the Benefits Office for further instructions.

In addition, at any time, you may request TIAA-CREF to provide you with illustrations of your retirement income under its various payment options.

* You cannot roll over Roth 403(b) accumulations to an IRA that does not qualify as a Roth IRA.
## Summary of Payment Options

### Tier 1 and 2: Target Date Fund Series and Core Funds
- **Single Lump Sum Payment(s)**
- **Systematic Cash Withdrawals**
- **Minimum Distribution Option**

### Tier 3:
- **TIAA Traditional Annuity (GSRA/SRA** only)**
- **CREF Stock Account**
- **CREF Money Market Account**
- **TIAA-CREF Frozen Funds**

#### Tier 3:
- **Single Lump Sum Payment(s)**
- **Systematic Cash Withdrawals**
- **Fixed Period Annuities** (for periods of 2 to 30 years for a GRA*, RA, and SRA**; 5 to 30 years for a GSRA)
- **Lifetime Income**
  - One-Life Annuity
  - Two-Life Annuity
  - One-Life Annuity or Two-Life Annuity with a Guaranteed Period
- **Minimum Distribution Option**

#### Tier 3:
- **TIAA Traditional Annuity (GRA*/RA only)**

#### Tier 4:
- **TIAA-CREF Self-Directed Brokerage Accounts (SDBA)**

| Minimum Distribution | Federal law requires that a participant in a tax-favored retirement program like the University of Rochester's start receiving benefits or making withdrawals by April 1 following the year they reach age 70½ or sever from employment from the University and members of its controlled group, whichever comes later. If the “minimum distribution” requirement is not met, the participant is subject to a non-deductible tax penalty equal to 50% of the amount that should have been distributed. Minimum distribution options through TIAA-CREF will pay participants who are subject to this requirement the minimum amount of income the IRS requires each year from accounts held by them for your benefit, without converting their accumulations into a lifetime annuity. |

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*GRA replaced Retirement Annuity (RA) option effective July 6, 2004. Existing RA contracts maintained accumulations that were in place on July 5, 2004.

**Supplemental Retirement Annuity (SRA) contracts were established prior to July 1, 1992.

*TIAA-CREF Frozen Funds are investment options that are closed to contributions and transfers in as of June 15, 2012 and consist of the following seven funds: CREF Bond Market Account, CREF Equity Index Account, CREF Global Equities Account, CREF Growth Account, CREF Inflation-Linked Bond Account, CREF Social Choice Account, and TIAA Real Estate Account.

“For those who elect a lifetime annuity, the Retirement Transition Benefit option provides for a single cash payment of up to 10% of the accumulation amount being annuitized as income with the first periodic annuity payment.

*Single lump sum payment is available from a GRA only within 120 days after severance from employment from the University and members of its controlled group, subject to a 2.5% surrender charge. If your TIAA Traditional balance is less than $5,000, you may be able to transfer or withdraw the entire amount in a lump sum.

**Note:** One-Life Annuity options guarantee to pay a lifetime income that you cannot outlive regardless of how long you live. Two-Life Annuity options pay you and your annuity partner (usually your spouse) a lifetime income. The annuity options with a guaranteed period pay you (and your annuity partner if you elected a Two-Life Annuity option) a lifetime income, but provide payments to a beneficiary if you (and your annuity partner, if applicable) die within the period you selected.
Joint & Survivor Spouse Benefits

The Retirement Program is subject to the joint and survivor annuity rules required by federal law. Under these rules, if you are married, your normal form of benefit must be a joint and survivor annuity with your spouse as the surviving annuitant. This form of payment uses your account balance to purchase a monthly benefit for your spouse after your death equal to 50% of the amount you were receiving. Your benefit will be paid in this form unless you elect another form of benefit and your spouse consents in writing to your election. Your spouse's consent must acknowledge the effect of the election and be witnessed by a plan representative or notary public. TIAA-CREF can provide you with more information regarding your ability to elect or waive the joint and survivor annuity form of benefit.

Death Benefits

You can designate a beneficiary who is eligible to receive payment of your vested benefit after your death. You can make this election through TIAA-CREF. It is important that you keep your beneficiary designation up to date. If you fail to designate a beneficiary, the default election will be 100% to your surviving spouse, if married, otherwise 100% to your estate.

As noted above, if you are married at the time of your death, your spouse will have the right to receive a benefit that is equal to at least 50% of the full value of your entire vested benefit unless you have designated another beneficiary and your spouse has consented to that designation. The consent of your spouse must be in writing, be witnessed by a notary public, and acknowledge the effect of your designation of another beneficiary.

Qualified Domestic Relations Order/Assignability of Benefits

Some or all of your retirement accumulations may be payable to your spouse, former spouse, child, or other dependents pursuant to a domestic relations order that the Retirement Program determines to be “qualified.” Participants and beneficiaries can obtain a copy of the University of Rochester Qualified Domestic Relations Order procedures, without charge, from the Plan Administrator. Except as provided by a Qualified Domestic Relations Order, your benefits cannot be assigned and, except as permitted by law, are not subject to garnishment or attachment.

Benefits During Sick Leave and/or Job-Related Disability Paid Through the University of Rochester Payroll

When a faculty or staff member is receiving payments under the Sick Leave Plan for Short-Term Disability or for a job-related disability paid through the University of Rochester Payroll, eligibility for the University’s Direct Contribution continues. Faculty/staff may also continue to make Voluntary Contributions to the Retirement Program.

Benefits During Unpaid Leave of Absence and/or Layoff

During an unpaid Leave of Absence or Layoff, the University’s Direct Contribution is suspended. Voluntary Contributions are suspended during a leave or layoff since contributions to these portions of the Retirement Program are made through salary reduction.

If you are on a military leave and return to employment within the period prescribed for protected reemployment rights, the University will make a Direct Contribution for your period of military service based on the compensation you would have earned had you remained employed by the University during the period of military service. In addition, you will be able to make up your Voluntary Contributions for this period if you wish.
Benefits During Long-Term Disability

If a faculty or staff member becomes totally disabled and is receiving benefits from the Long-Term Disability Plan, he or she will be eligible for what is called the Annuity Premium Waiver Benefit. This means that, for those eligible to receive a Direct Contribution from the University Retirement Program while receiving benefits from the LTD plan, contributions will continue based on covered annual salary and be directed to the recordkeeper, TIAA-CREF, during disability. Voluntary contributions are suspended during long-term disability since contributions to these portions of the Retirement Program are made through salary reduction.

Note: Members of Service Employees International Union AFL-CIO (SEIU) are not eligible for the Annuity Premium Waiver Benefit.

Benefits upon Severance from Employment and/or upon Change to an Ineligible Status

If a faculty or staff member severs from employment or changes to an ineligible status, any retirement contributions, either the University’s Direct Contribution or Voluntary Contributions, shall cease.

Retirement accumulations may remain in the Retirement Program, or they may be withdrawn (see pages 15–16 for when you may withdraw Retirement Program accumulations).

Claims Review Procedure

If you believe that you are being denied rights or benefits under the Retirement Program, you may file a claim in writing. When you want to file a claim for benefits under the Retirement Program, contact the Benefits Office for the necessary forms to be filed.

The Benefits Office will notify you of its decision in writing within 90 days after the claim is received (within 180 days if special circumstances require an extension—you will be notified of any extension within the initial 90-day period). If your claim for benefits is denied, the Benefits Office will provide, in writing:

- The specific reasons that your claim was denied;
- Specific reference to the Retirement Program provisions on which the denial was based;
- A description of any additional material or information necessary for you to perfect the claim and an explanation of why the material or information is necessary;
- A statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- Information regarding what steps you should take if you want to submit a request for review.

If you do not agree with the decision of the Benefits Office, you can request that the decision be reviewed by the Plan Administrator by filing a written request for review within 60 days after receiving notice that your claim has been denied. You or your representative may present written statements that explain why you believe that the benefit claim should be paid, including documents, records, and other information that is relevant to your claim for benefits. The Plan Administrator will provide to you or your representative, upon request and free of charge, copies of all documents, records, and other information relevant to your claim.
Generally, the Plan Administrator will review its decision within 60 days after receiving a request for review (or within 120 days if special circumstances warrant an extension—you will be notified of the extension within the initial 60-day period) and will give you written notice. If your claim for benefits is denied, the Plan Administrator will give you, in writing:

- The specific reasons that your claim was denied;
- Specific reference to the Retirement Program provisions on which the denial was based;
- A statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- A statement regarding your right to bring an action under Section 502(a) of ERISA.

If you do not file a claim, follow the claims procedures, or appeal on time, you will give up legal rights, including your right to file a suit in federal court, because you will not have exhausted your internal administrative appeal rights. Generally, you must exhaust your internal administrative appeal rights before you can bring a suit in federal court.

Participants and beneficiaries may not take legal action against the Retirement Program more than one year after the Plan Administrator’s decision on review.

**A Significant Opportunity**

As mentioned earlier, by saving in the University of Rochester Retirement Program today, you will be taking advantage of an opportunity to invest in your future.

When combined with the University’s Direct Contribution on your behalf over the course of your career, and Social Security benefits, your voluntary savings in the Retirement Program can help ensure that your retirement is what you’d hoped—and planned—for it to be.

If you have questions regarding the Retirement Program, please contact the Benefits Office at **585 275-4667** or **585 275-4668** or send an email to **benefitoffice@rochester.edu**. You may also review the website at [www.tiaa-cref.org/rochester](http://www.tiaa-cref.org/rochester) and [www.rochester.edu/benefits/retirement](http://www.rochester.edu/benefits/retirement).

**Retirement Program Information**

The Plan Administrator for the 403(b) Retirement Program is:

- Retirement Plan Committee
  - % University of Rochester (ID No. 16-0743209)
  - Office of Human Resources, Benefits Office
  - 260 Crittenden Blvd.
  - Rochester, NY 14642
  - Telephone **585 275-2084**

The Retirement Plan Committee is the agent for legal process in any action involving the Retirement Program. The Plan Administrator has full authority, in its sole discretion, to interpret the Retirement Program and to decide all issues and disputes relating to the Retirement Program. Its decisions are final and binding on all parties. Additionally, the Plan Administrator may establish such rules and procedures it deems necessary or appropriate to administer the Retirement Program.

The University of Rochester Retirement Program is a defined contribution plan established pursuant to Internal Revenue Code Section 403(b). Since the Retirement Program is a defined contribution plan, it is not covered by the Pension Benefit Guaranty Corporation’s insurance program for defined benefit pension plans.
ERISA

As a Participant in the Retirement Program, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). The University of Rochester’s ERISA plan number is 003. ERISA provides that all Plan Participants are entitled to:

Receive Information About Your Retirement Program and Benefits
1. Examine, without charge, at the Plan Administrator’s office, all documents governing the Retirement Program, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the Retirement Program with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
2. Obtain copies of all documents governing the operation of the Retirement Program and other Retirement Program information upon written request to the Plan Administrator, including insurance contracts, copies of the latest annual report (Form 5500 Series) and an updated summary plan description. The Administrator may make a reasonable charge for the copies.
3. Receive a summary of the Retirement Program’s annual financial report. The Plan Administrator is required by law to furnish you with a summary of the Retirement Program's financial report.
4. Obtain a statement telling whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the Retirement Program now. If you do not have the right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Retirement Program must provide the statement free of charge.

Prudent Actions by Retirement Program Fiduciaries
In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for operating the Retirement Program. The people who operate your Retirement Program, called “Plan Fiduciaries,” have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights
If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Retirement Program review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Retirement Program and don’t receive them within 30 days, you may file a suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, and if you have exhausted the claims procedures available to you under the Retirement Program, you may file suit in a state or federal court, provided that you bring the claim within the prescribed period of time.
If the Plan Fiduciaries misuse the Retirement Program’s money, or if you’re discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions
If you have any questions about your Retirement Program, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA or if you need assistance obtaining documents from the Plan Administrator, you should contact the nearest Area Office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Definitions
You will find it helpful to understand the following terms, which are used to define eligibility for participation in the Retirement Program:

Annual Base Pay Rate: the Base Salary reported in Box 1 of Form W-2 that is paid to a Participant for personal services actually rendered, plus the Participant’s pre-tax elective deferrals under the University’s 401(b) and cafeteria plans, but excluding all other forms of compensation.

Appointment: the action which begins a relationship with the University in a specific position, such as member of the faculty; the period during which such a relationship is in effect.

Continuous Employment: actively at work in a position eligible for the full range of University Benefit Plans. Absences due to Leave of Absence or Layoff would be included in determining continuous employment.

Controlled Group: any entity in which the University of Rochester, directly or indirectly, owns a controlling interest, or any tax-exempt organization(s) that is under “common control” with the University, based on 80% of the directors or trustees being either representatives of or directly or indirectly controlled by the University of Rochester. As of August 31, 2012, members of the controlled group of the University of Rochester include: Highland Hospital, Highlands at Brighton, Highlands at Pittsford, Highlands Living Center, Visiting Nurse Service (VNS), Visiting Nurse Signature Care, High Tech Rochester, and FF Thompson Health System, Inc.

Full-Time: for hourly staff: a regular weekly work schedule of at least 35 hours; for professional, administrative, and supervisory staff: a weekly work schedule of 40 hours or more; for faculty: a normal full teaching and research load as defined for the faculty by the college or school concerned.

Grandparent Level: the post-retirement benefits program to which a Retiree is assigned, determined by the Retiree’s most recent date of Hire or Rehire, Continuous Employment, Retirement eligibility date, and Retirement date.

Gross Wages: the total remuneration in Box 1 of Form W-2 that is paid to a Participant for personal services actually rendered, plus the Participant’s pre-tax elective deferrals under the University’s 403(b) and cafeteria plans, but excluding wellness incentives, tuition assistance, taxable relocation assistance, sign-on bonuses, severance benefits, and forms of extra remuneration not related to actual services.
**Hired:** for purposes of determining post-retirement benefits, “hired” is defined as an appointment to a position that is eligible for the full range of University Benefit Plans.

**Layoff (indefinite):** indefinite suspension of University employment because of reduction of staff or elimination of a position for more than four months or for unspecified duration, not over one year.

**Layoff (temporary):** temporary suspension of University employment because of reduction of staff or elimination of a position with the expectation of return to work within four months of the day the layoff begins.

**Leave of Absence:** approved absence which does not end, but does change, the appointment relationship. Leave may be for research or study, to permit a visiting appointment elsewhere, for personal reasons, or for disability.

**Part-Time:** a regular weekly or monthly schedule which is less than that required for full-time status but generally not less than 17.5 hours per week in the case of hourly and professional, administrative, and supervisory staff. For faculty it indicates that the individual carries at least half the normal (full) teaching and research load as defined for faculty by the college or school concerned.

**Regular:** period of appointment in hourly and professional, administrative, and supervisory positions that is expected to exceed four months, unless otherwise defined in collective bargaining agreements; period of appointment for faculty-instructional staff that is at least one year (or one academic year) or, if shorter, is expected to be renewed. Appointments primarily for furthering education (for example, graduate assistant) are not considered “regular” appointments.

**Rehired:** for purposes of determining post-retirement benefits, “rehired” is defined as an appointment to a position that is eligible for the full range of University Benefit Plans from an appointment that was not eligible for the full range of University Benefit Plans or following termination or retirement.

**Retirement or Retire:** ending of appointment at normal retirement age (as defined by the University of Rochester Retirement Program) or beyond after having met the ten-year service requirement, or

- Regular Full-Time and Part-Time faculty and staff Hired or Rehired prior to January 1, 1996 at an earlier age if the individual has reached age 55 and has met the ten-year service requirement. (The ten-year service requirement may be met by cumulative employment at the University or another higher education institution.)
- Regular Full-Time and Part-Time faculty and staff Hired or Rehired January 1, 1996 and thereafter at an earlier age if the individual has reached age 60 and has met the ten-year service requirement. (The ten-year service requirement may be met by cumulative employment at the University or another higher education institution, as long as there is Continuous Employment at the University for the immediate five years prior to Retirement.)

Once Retired, post-retirement benefits continue to be based on status, age, and years of service at the time of initial Retirement, even if the Retiree returns to work. There is no adjustment to the Grandparent Level, years of service, or age calculation to determine the level of post-retirement benefits based upon post-retirement Rehire and employment.

**Retiree:** Regular Full-Time and Part-Time faculty and staff who were Hired or Rehired prior to January 1, 1996 and who have Retired and (1) who have reached age 55 and (2) who have met the ten-year service requirement. (The ten-year service requirement may be met by cumulative employment at the University or another higher education institution.)

Regular Full-Time and Part-Time faculty and staff who were Hired or Rehired January 1, 1996 and thereafter and who have Retired and (1) who have reached age 60 and (2) who have met the ten-year service requirement. (The ten-year service requirement may be met by cumulative employment at the University or another higher education institution, as long as there is Continuous Employment at the University for the immediate five years prior to Retirement.)
For purposes of the Retirement Program, an individual will also be treated as a Retiree when a participant who satisfies the above service requirements ceases his/her appointment as a full-time employee after age 59½, but continues employment as a part-time or TAR employee.

For purposes of determining post-retirement benefits, “hired” is defined as an appointment to a position that is eligible for the full range of University Benefit Plans.

Severance from Employment: cessation of employment from the University and all members of its controlled group.

Spouse: a person to whom a Participant is considered married under applicable law, and is recognized as the Participant’s spouse under federal law.

TAR (Time-as-Reported): appointment with (1) no regular schedule or (2) in which the individual is generally expected to work fewer than 17.5 hours per week in the case of hourly and professional, administrative, and supervisory staff, unless otherwise defined in collective bargaining agreements. For faculty it indicates that the individual carries less than half the normal (full) teaching and research load as defined for faculty by the college or school concerned.

Temporary: period of appointment in hourly and professional, administrative, and supervisory positions of not over four months, unless otherwise defined in collective bargaining agreements; period of appointment for faculty-instructional staff of less than one year (or one academic year) and for which renewal is not expected.

University Benefit Plans: employee benefit plans sponsored by the University of Rochester, including Long-Term Disability Plans (Plan 504, 512, or 521), Group Life Insurance (Plan 505), Travel Accident Insurance (Plan 506), Health Care Plans (Plan 509 or 517), Severance Pay (Plan 514), Employee Assistance Program (Plan 515), Dental Plans (Plan 518), Long-Term Care Plan (Plan 519), Lifestyle Management Program (Plan 520), and Retirement Program (Plan 003).

Resources to Help
As recordkeeper for the Retirement Program, TIAA-CREF is here to help you plan for your retirement. To help you reach your goals, TIAA-CREF offers tools and services for managing your retirement savings.

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<th>How to Contact TIAA-CREF</th>
<th>How TIAA-CREF Can Help</th>
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<tr>
<td>By Phone</td>
<td>Call TIAA-CREF at <strong>800 410-6497</strong>, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).</td>
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<tr>
<td>Automated Telephone Service (ATS) (24/7)</td>
<td><strong>800 842-2252</strong></td>
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<td>Online</td>
<td><a href="http://www.tiaa-cref.org/rochester">www.tiaa-cref.org/rochester</a></td>
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<td>• Get a secure user ID and password</td>
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This document was prepared for the employees of the University of Rochester. If there is any ambiguity or inconsistency between the terms of the Plan Document, the individual annuity contracts, the certificates, or the custodial agreements and those of this Retirement Program brochure, the terms of the annuity contracts, certificates, or custodial agreements shall apply, unless they violate ERISA or other applicable law.

The University of Rochester reserves the right to modify, amend, or terminate the Retirement Program at any time.

Under this Retirement Program, all benefits are fully vested and held pursuant to individual annuity contracts and/or certificates with TIAA-CREF. If the Retirement Program were to terminate, future contributions would cease, but you would retain all the accumulated funds held in your individual annuity contract, and matters related to the investment of your accumulations and the distribution of benefits to you would be governed by those contracts.