Deferred Compensation Plan
Informational Handout
(to be given to employees with the Voluntary Salary Deferral Agreement)

Description of the Plan
The Research Foundation's Deferred Compensation plan allows eligible employees to supplement their retirement savings with pretax, biweekly contributions as defined under section 457(b) of the Internal Revenue code. This is an "unfunded" plan, meaning that although plan participants reduce their salary and put the money aside in accounts with their names; these funds are part of the RF's general assets and, as such, are subject to the claims of RF's creditors. The RF has no obligation to set aside any funds for the purpose of making any benefit payments under this plan, and plan participants do not have any rights to any unpaid amount that are greater than those of an unsecured creditor. Refer to the RF Deferred Compensation Plan Summary for complete information regarding the plan and all the information contained in this handout.

Eligibility
Participation in the Plan is limited to highly compensated (within the meaning of the federal tax code), regular employees (See Deferred Compensation Plan Summary for specific titles and grade levels). Fellows, students and summer employees are ***not*** eligible.

Waiting and Vesting Periods
There is no waiting period nor do employees have to be participants in the Basic Retirement Plan. All contributions to the Deferred Compensation Plan are immediately vested at all times in your accrued benefits under this plan except as described in the Description of the Plan above.

Annual Limits
You are required to make certain that salary excluded from income does not exceed the amounts permitted under section 457(b) of the Internal Revenue Code. Deferral amounts with all employers during the 2015 calendar year are limited to $18,000, unless you are eligible for a catch-up contribution. You can only make a catch-up contribution during the three taxable years PRIOR to the taxable year in which you reach your selected Normal Retirement Age, and only if you have not deferred the maximum amount in all past years of participation. The minimum contribution is $25.00 per pay period.

Taxability and Reporting on Form W-2
Salary reductions under this plan reduce your taxable income for the year in Box 1 of Form W-2. Therefore these contributions are exempt from federal and state income tax at the time contributions are made. See the chart under "Withdrawals from the Plan" for information about taxation when you withdraw these contributions. Salary reductions under this plan **do not** impact your Social Security and Medicare wages (Boxes 3 and 5), and therefore these taxes are withheld on your contributions. Finally, the total reduction amount for the year is reported in Box 12a and Box 13 "Retirement Plan" will be checked.

How to Enroll
You may elect to contribute by making pre-tax, elective deferrals of your compensation to the Plan pursuant to completing a Voluntary Salary Deferral Agreement and TIAA-CREF enrollment form.

- The Voluntary Salary Deferral Agreement should be returned to your campus benefit office
- The enrollment form may be mailed directly to TIAA-CREF, Attn: Enrollment, 8500 Andrew Carnegie Blvd, Charlotte, NC 28262 or your campus administrator may fax it to 800-914-8922 for you (TIAA-CREF will not accept a fax directly from the employee).

The Voluntary Salary Deferral Agreement is a written agreement you make with the Research Foundation (RF) to direct a portion of your salary to a retirement funds. This agreement allows you to specify a percentage of salary to be contributed to the Deferred Compensation Plan. There is no limit to the number of agreements you may complete each year. You may change the percentage of your deferral at any time by completing a new Voluntary Salary Deferral Agreement. Any change you make will be effective only with respect to salary earned after receipt of this form by your Campus Benefits Office.

A Voluntary Salary Deferral Agreement remains in effect until a new agreement is submitted to your campus benefit office changing your deferral amount. To terminate your participation in the plan, the new agreement should indicate zero as a deferral. Other times a Voluntary Salary Deferral Agreement will terminate or change are:

- If you are not actively employed by the RF at the end of the calendar year, your Voluntary Deferral Agreement will be terminated. If you choose to defer salary in a subsequent year, you are required to complete a new agreement
- If you terminate employment or have a leave of absence during the calendar year and you return to employment prior to the end of the calendar year, the same deferral amount will resume. If you do not want the salary deferral to resume, a new form indicating zero must be submitted to your Campus Benefits Office.

Determining the amount to contribute
When completing the agreement, ask yourself the following questions:

What percentage should I contribute each payroll?	You can choose any percentage out 2 decimal places up to 100% but keep in mind you must still have sufficient earnings for your other deductions such as health, parking etc. For example you can choose whole percentages such as 1.00%, 5.00% or 10.00% Or 1.25%, 5.60% or 10.90% The amount deducted each payroll will fluctuate based on your gross earnings, meaning the dollar amount incurease when your pay increases and decreased when your pay decreases.
Do I want to defer the maximum limit for the calendar year: If yes, do I want the contributions spread evenly throughout the year, or made as	To spread evenly throughout the year, you should divide the annual amount by the number of remaining payrolls in the calendar year, or choose the appropriate percentage of pay to accomplish this. To make contributions as quickly as possible, choose the highest % of pay or dollar

quickly as possible until the annual limit is reached	amount you can afford, leaving enough to cover all payroll taxes and other payroll deductions for employee benefits, parking etc. Contributions will automatically stop when the annual limit is reached. The annual limit is based upon criteria as described below.
How do I determine eligibility for Catch-Up Contributions?	You may make additional contributions during one or more of the last 3 taxable years ending before the year you attain normal retirement age AND have not deferred the maximum in those prior years. NOTE – you may contact TIAA-CREF to assist in determining whether you are eligible for a Catch Up. Response time is approximately 7-10 business days.
How do I calculate the catch up amount I'm eligible for?	The maximum amount is the lesser of: - Twice the applicable dollar amount in effect for the year or - The sum of (i) the primary limitation amount and (ii) that portion of the primary limitation amount not used in prior taxable years in which you were eligible to participate in the Plan

Investment of Your Deferral
The Research Foundation contracts with The TIAA-CREF family of companies to provide investment options and administer the deferred compensation benefits. They can be reached at 800-842-2252 or www.tiaa-cref.org.

The enrollment form you complete indicates how the deferral percentage you chose will be invested. If this form does not arrive at TIAA-CREF prior to the first deferral the investment will be applied to the CREF money market for 5 business days and if no enrollment form is received by then the funds will be returned to the RF. You may change your investment at any time by contacting them directly or on-line once you have established an account through their web site.

Collecting Benefits from the plan
Once you terminate the RF notifies TIAA-CREF of your termination date. They will then send you several important documents. Please read through these documents carefully as a response must be completed and returned within 120 days or you will receive a lump sum distribution as soon as administratively feasible following the expiration of the election period.

Distribution of benefits from the Plan can be made no earlier than Severance from Employment, in the event of an approved financial hardship due to an "Unforeseeable Emergency" or the calendar year in which you attain 70 ½.