

New features for the Howard University Savings Plan coming January 2024



Key dates

October 19, 2023

First day to opt out of auto enrollment for 2024.

January 2, 2024

Last day to opt out of auto enrollment for 2024.

January 3, 2024

Eligible employees will be automatically enrolled in the Howard University Savings Plan.

January 1, 2025

First annual 1% contribution rate increase for participants contributing at least 2% but less than 10%. Opting out of auto increase is permitted.

Howard University recognizes the importance of providing you ways to plan for your financial future. Beginning January 3, 2024, auto enrollment will be introduced to the Howard University Savings Plan. Also, beginning January 1, 2025, annual auto contribution increases will be introduced.

These new features are designed to help employees pursue their financial goals, but participation is not mandatory. Be aware of the key dates and how the enhancements may impact you.

Beginning in October 2023, there will be in-person and live webinar educational sessions. More information will be provided about the sessions.

Why are these enhancements being made?

The Plan Design Committee for Howard University Retirement Plans reviewed employees' retirement savings rates and national retirement savings trends. Research shows that many Americans are unprepared for retirement:

- 40% of U.S. households risk running short of money in retirement¹
- 30% of women retire with less income than men²
- Social Security beneficiaries are projected to face a 20% benefit cut by 2033³

Howard University is enhancing the Howard University Savings Plan with these new features to help support faculty and staff with their retirement goals.



HOWARD
UNIVERSITY

What you should know about the new auto features

The new auto enrollment and future auto contribution increase features require no action on your part.

Annual auto enrollment

- If you are eligible to participate but aren't contributing to the Howard University Savings Plan, or if you are currently contributing less than 2% of your pay to the Plan, beginning January 3, 2024, you will be automatically enrolled with a contribution rate of 2% of your pay from your pre-tax wages.
- Eligible employees who are hired on or after January 1, 2024, will be automatically enrolled with a 2% pre-tax contribution rate, unless they elect to opt out of auto enrollment.
- Pre-tax contributions will be made each payroll period, which means less will be deducted in federal and state taxes, lowering your taxable wage base.
- Contributions will be directed to an age-appropriate target date fund (see chart below) unless you elect other investment options.⁴
- You can increase your contribution rate or decrease it to 1% or 0%; change your contribution type (pre-tax and/or Roth); or change your investment elections at any time by logging in to your account at TIAA.org/howard.⁵
- Annual auto enrollment will occur every January for eligible employees who are either not contributing to the Plan or are contributing less than 2% of their pay to the Plan. If you are not contributing or are contributing less than 2% to the Plan and do not want to be auto enrolled at 2%, you must opt out of auto enrollment each year. You must do this even if you opted out the prior year.

Birth year	Default investment option	Ticker
Before 1953	Vanguard Target Retirement Income Fund	VTINX
1953 - 1957	Vanguard Target Retirement 2020 Fund	VTWNX
1958 - 1962	Vanguard Target Retirement 2025 Fund	VTTVX
1963 - 1967	Vanguard Target Retirement 2030 Fund	VTHRX
1968 - 1972	Vanguard Target Retirement 2035 Fund	VTTHX
1973 - 1977	Vanguard Target Retirement 2040 Fund	VFORX
1978 - 1982	Vanguard Target Retirement 2045 Fund	VTIVX
1983 - 1987	Vanguard Target Retirement 2050 Fund	VFIFX
1988 - 1992	Vanguard Target Retirement 2055 Fund	VFFVX
1993 - 1997	Vanguard Target Retirement 2060 Fund	VTTSX
1998 - 2002	Vanguard Target Retirement 2065 Fund	VLVXX
2003 - present	Vanguard Target Retirement 2070 Fund	VSVNX

As with all mutual funds, the principal value in a target date fund is not guaranteed at any time and will fluctuate with market changes. Also, please note that the target date represents an approximate date when investors may plan to begin withdrawing from the fund. However, you are not required to withdraw the funds at that target date. After the target date has been reached, some of your money may be merged into a fund with a more stable asset allocation.⁴

New features for the Howard University Savings Plan

Annual auto contribution increases

Beginning January 1, 2025, to help savings keep pace with long-term goals, annual auto contribution increases will be introduced.

- Through convenient payroll deductions, your contribution rate will automatically increase annually by 1% beginning January 1, 2025, until a maximum contribution rate of 10% is reached.
- Annual automatic increases will occur every January for participants contributing between 2% and 9% to the Plan. The auto increase will not apply to participants who have been auto enrolled that January at 2%.
- If you are already contributing 10% or more, you will not be affected by this feature.

Note: If the timing is not right for you, you can change your contribution rate or stop contributions altogether at any time by completing the online salary deferral form at TIAA.org/howard. To opt out of the annual auto increase in January, you must complete the online salary deferral form after the auto increase occurs (the first business day of January).

Changing or stopping your contributions

As a reminder, the online salary deferral form is available at TIAA.org/howard. Simply complete the electronic agreement anytime to start, stop or change your contribution rate.

To opt out of the auto enrollment

If you are currently eligible for the Howard University Savings Plan but are not contributing, or are contributing less than 2% of your pay, and you don't want to be auto enrolled at 2% beginning January 3, 2024, you will need to go to TIAA.org/howard to opt out between October 19, 2023, and January 2, 2024. At any point, if your circumstances change and you would like to begin contributing to the Plan, you may log back in to enroll, set your contribution rate and select from the Plan's investment options. In addition, if you miss the opt-out deadline and are auto enrolled, you can log in and set your contribution rate to zero or decrease it to 1%. Any changes will become effective as soon as administratively possible.

We're here to help

Let us help you take the next step!

Online tools

Visit TIAA.org/tools for convenient resources that can help you on the path to retirement. You supply the information, and the tools do the rest.



Manage your account

Online

Visit TIAA.org/howard and log in. If you're new to TIAA, select *Log in*, then *Need online access?* Follow the on-screen directions to access your account.

Phone

Call TIAA at **800-842-2252**, weekdays, 8 a.m. to 10 p.m. (ET).



Take your planning with you using the TIAA mobile app.
Download the TIAA mobile app from the App Store or Google Play.



Schedule an investment advice session

Online

Visit TIAA.org/schedulenow.

Phone

Call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET).

¹ Employee Benefit Research Institute, **March 7, 2019**

² Organization for Economic Cooperation and Development, **March 10, 2021**

³ 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, **June 2, 2022**

⁴ A target date fund is a "fund of funds," primarily invested in shares of other mutual funds. The fund's investments are adjusted from more aggressive to more conservative over time as the target retirement date approaches. The principal value of a target date fund isn't guaranteed at any time and will fluctuate with market changes. Target date funds share the risks associated with the types of securities held by each of the underlying funds in which they invest. In addition to the fees and expenses associated with the target date funds, there is exposure to the fees and expenses associated with the underlying mutual funds, as well. The target date represents an approximate date when investors may plan to begin withdrawing from the fund. However, you are not required to withdraw the funds at that target date. Also, please note that the target date fund is selected for you based on your projected retirement date (assuming a retirement age of 65).

⁵ Roth contributions: Withdrawals of earnings prior to age 59½ are subject to ordinary income tax and a 10% penalty may apply. Earnings can be distributed tax free if distribution is no earlier than five years after contributions were first made and you meet at least one of the following conditions: age 59½ or older, or permanently disabled. Beneficiaries may receive a distribution in the event of your death.

This material is for informational or educational purposes only and does not constitute fiduciary investment advice under ERISA, a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

The TIAA group of companies does not provide legal or tax advice. Please consult your legal or tax advisor.

Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity and may lose value.

You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or go to TIAA.org/howard for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

©2023 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017

