BOARD POLICY

It is the policy of the Board that the retirement program is and shall be consistent with state and federal regulations.

Participation, Annuity

The Board shall provide participating plans for retirement annuities for all eligible employees of the Nebraska State College System. All plan assets shall be held in an annuity, or a trust or custodial account, for the exclusive benefit of plan participants. The Board shall provide such retirement benefits through the Teachers Insurance and Annuity Association of America (TIAA). Old Age and Survivors Insurance of the Social Security Administration shall be a part of the plan of retirement benefits.

The State Colleges are authorized to enter into, on behalf of the Board, contracts with employees providing for the purchase of such retirement annuity contracts under the provisions of the Technical Amendments Act of 1958 to the Internal Revenue Code, as amended. Contracts with the State College employees shall provide that the accounts contributed by the State Colleges for such retirement annuity contracts shall be contributed as a result of an agreement of the employee to take a reduction in salary, or to forego an increase in salary, but only to the extent that such amounts are earned, or would be earned by the employee after the agreement becomes effective. Such an agreement must be legally binding and irrevocable with respect to amounts earned while the agreement is in effect and shall, in all other respects, conform with the applicable provisions of the Internal Revenue Code, as amended. The right of employees to such retirement annuity contracts shall be non-forfeitable, except for failure to pay future premiums; and such retirement annuity contracts shall be non-transferable.

Primary and Secondary Plans

A primary retirement plan intended to constitute an eligible deferred compensation plan as set forth in Internal Revenue Code (Code) Section 403(b) shall be provided for all full-time employees of the Nebraska State College System. Participation in the primary 403(b) Defined Contribution Plan is mandatory as set forth in the section below relating to Eligibility for Participation in the Primary Retirement Plan.

Secondary retirement plans intended to constitute eligible deferred compensation plans within the meaning of Sections 403(b) and 457 of the Code, as amended, shall be offered to all eligible employees of the Nebraska State College System. Participation in the secondary 403(b) and 457(b) Plans is voluntary as set forth in the section below that outlines Eligibility for Participation in the Secondary Retirement Plans. The secondary 403(b) Tax Deferred Annuity Plan and 457(b) Voluntary Deferred Compensation Plan shall be secondary to and a supplement for the primary 403(b) Defined Contribution Retirement Plan.

Eligibility for Participation in the Primary Retirement Plan 403(b)

1. Employees eligible for participation are any active employee of the State College System whose employment status is full-time. Full-time for faculty employees shall mean carrying a "full-time load," as defined by the College, for the regular academic year. Full-time for all other employees will consist of working full-time, as defined by the College, for the regular academic year or at least three-fourths time over a twelve (12) month period.

2. All eligible employees will begin participation in this retirement plan on the first day of the month coinciding with or next following the attainment of age thirty (30). During required participation, employees are not permitted to switch from salary reduction (pre-tax) to salary deduction (after-tax) at any time. Therefore, salary reduction is to be used exclusively. As a result, the mandatory employee contribution will be treated as an employer contribution for calculation purposes and will not be subject to the employee elective deferral limit. Furthermore, during voluntary employee participation, those voluntary employee contributions will be subject to the limits under 402(g), the employee elective deferral limit, in addition to the 403(b) and the 415 limits.

3. All eligible employees may begin participation in this retirement plan on the first day of the month coinciding with or next following the second anniversary of their employment and the attainment of age twenty-five (25). Eligible employees under age thirty (30) may count prior full-time service (at least three-fourths time over a twelve [12] month period) with an educational institution toward the required service period. Educational institutions include, but are not limited to, public and private elementary or secondary schools (K-12) in addition to postsecondary institutions.

Contributions for Primary Retirement Plan 403(b)

The Board shall have power, in its discretion, to provide retirement benefits for employees of the Board, subject to the following:

1. The cost of such retirement benefits shall be funded in accordance with sound actuarial principles with the necessary contributions for both past service and future service being treated in the budgets in the same way as any other operating expense.

2. The maximum State College contribution under such retirement plan shall not exceed the sum of:

    a. the percentage approved by the Board of each employee's salary or wage earnings for any calendar year before any agreement for reduction of salary or wage earnings; and,

    b. pursuant to an agreement for reduction of salary or wage earnings, the amount of the reduction of salary or wage earnings.

3. Each employee's contribution shall equal six percent (6%) of each employee's qualifying salary or wage earnings for any calendar year and shall be calculated before any agreement for any reduction of salary or wage earnings, provided that in lieu of making such contribution, each such employee shall enter into an agreement for reduction of salary or wages in an amount equal to such employee's contribution for the purchase by the Board of an annuity contract for such employee, under the provisions of the Technical Amendments Act of 1958 to the Internal Revenue Code, as amended.

4. The retirement benefits of any employee for service prior to the effective date of any retirement plan established under the provisions of this section shall be those provided under the retirement plan now in force which benefits shall not be abridged.

5. Each participant in this primary retirement plan and each College shall make contributions under the retirement plan on a monthly basis during the years of participation, except for months in which no salary is paid, in accordance with the following schedule:

(Contributions as a Percent of Total Salary to Primary 403(b) Plan)

Participant Contribution (salary reduction only)	State College Contribution	Total Contribution
6.0%	8.0%	14.00% effective July 1, 2005

6. Under no circumstances or conditions will any contribution of the Colleges revert to, be paid to, or insure to the benefit of, directly or indirectly, the Colleges. However, if contributions made by the Colleges were based on mistake of fact, such contributions may be returned to the Colleges within one (1) year of the date on which the contribution was made.

Eligibility for Participation in the Secondary Retirement Plans 403(b) and 457(b)

1. Full-time employees (at least three-fourths time over 12 months) are eligible to participate on a voluntary basis in the secondary 403(b) and 457(b) retirement plans.

2. Non-student employees who normally work twenty (20) hours or more per week are eligible to participate on a voluntary basis in the secondary 403(b) retirement plan.

3. To participate in the secondary plans, each eligible employee shall complete and return the applicable forms, including a Salary Reduction Agreement, to the College Human Resources Office. Enrollment shall be effective on or after the first day of the pay cycle following the date the enrollment forms are properly completed by the employee, including the Salary Reduction Agreement, and approved by the employer or its designee.

Contributions for Secondary Retirement Plans 403(b) and 457(b)

1. The employer will not make any non-elective or matching contributions to the Nebraska State College 403(b) Tax Deferred Annuity Plan or 457(b) Voluntary Deferred Compensation Plan. These plans will accept only elective deferrals made to the plan by the eligible employee.

2. Starting the effective date of this plan, and in accordance with the Economic Growth and Tax Relief Reconciliation Act of 2001, the Board will permit eligible State College employees to participate simultaneously in both the primary 403(b) and secondary 403(b) and 457(b) retirement plans.

3. The secondary 403(b) Tax Deferred Annuity Plan includes elective deferrals which can be made on a pre-tax and/or after-tax (Roth) basis.

4. The 457(b) Voluntary Deferred Compensation Plan is an elective salary reduction plan that permits employees who participate to supplement their primary 403(b) plan and Social Security benefits by setting aside an additional portion of their salary on a pre-tax basis. Any such elective deferral of salary may be made up to the maximum amount permitted by law provided the employee agrees to voluntarily defer a minimum of twenty-five dollars ($25) per pay period.

5. Participants who elect to make contributions on a pre-tax basis, do not pay any federal or state income taxes on the amounts they contribute, or on any earnings on the amount they contribute, until the funds are withdrawn. Contributions made on an after-tax (Roth) basis are included as taxable income.

6. A participant shall be fully vested at all times in his or her accrued benefits under these plans. Such accrued benefits shall be non-forfeitable at all times.

7. Employees may elect to change their Elective Deferral Rate with respect to future contributions by submitting a new properly executed Salary Reduction Agreement to the employer. Such change shall take effect as soon as administratively practicable but not earlier than the first pay period commencing with or during the first month following receipt by the employer of such Salary Reduction Agreement.

8. Employees may terminate their election to have compensation deferred in this plan by so notifying the employer or its designee in writing. Such termination shall take effect as soon as administratively practicable, but not earlier than the first pay period commencing with or during the first month following receipt by the employer of satisfactory written notice of such revocation.

9. To the extent permitted by law, rollovers may be made to the secondary 403(b) and 457(b) Plans from any other eligible deferred compensation plan maintained by a State, political subdivision of a State or any agency or instrumentality of a State or political subdivision of a State. Such funds shall be accepted and fully vested and non-forfeitable at all times.

10. To the extent permitted by the plan, rollovers to the plan are permitted.

Cashability Option for Primary and Secondary Retirement Plans

1. Upon termination of employment, an employee can elect to make cash withdrawals up to the entire amount of the CREF (College Retirement Equities Fund) accumulation under the Board TIAA Primary 403(b) Retirement Plan. TIAA Traditional Account cash withdrawals from Retirement Annuity accounts can be made in accordance with the investment options withdrawal rules that currently allow substantially equal payments over ten-annual installments.

2. Full or partial cash withdrawals from Group Supplemental Retirement Annuity accounts upon severance from employment can also be made under the Board TIAA Secondary 403(b) and 457(b) Plans.

Distribution Options for Primary and Secondary Retirement Plans

Employees who sever their employment within the State College System may make an immediate and binding election with respect to how they will take their distribution when they retire, or they may defer their decision until they are ready to retire, as permitted by law. Participants in both the primary and secondary retirement plans must begin taking a distribution by the April 1st of the year following the year in which he or she attains age 72or terminates employment, whichever is later.

A variety of payment options are available under the TIAA Primary 403(b) and Secondary 457(b) plans, including, but not limited to:

- Lifetime annuity income
- Fixed-period annuity (5 to 30 years)
- Minimum distribution option (MDO)
- Full or partial cash withdrawals
- Systematic withdrawals
- Interest payment Retirement Option (IPRO)

Investment Options for Primary and Secondary Retirement Plans

The Nebraska State Colleges TIAA Retirement Plans offer employees a variety of investment options. An employee may request that amounts contributed to either plan on his or her behalf be allocated among the available Investment Options established under the plans. Following the initial allocation request at the time of enrollment, the investment allocation request shall remain in effect for all subsequent contributions until changed by the employee. An employee may change his or her investment allocation by submitting a written request to TIAA either in writing, by phone, or online. Such change shall become effective as soon as administratively feasible.

Transfer Policy

This plan does not permit transfers of retirement accumulations to investment accounts other than TIAA.

Questions

Details of participation, current rates of withholding, retirement age, etc., are available in the current retirement plan agreement, copies of which are available in the Chancellor's office and each Colleges' Human Resources Director's office.

Any questions about the Retirement Plan or any requests for financial advice or retirement counseling, should be directed to TIAA.

Social Security

Employees are entitled to benefits provided under the Social Security Act, subject to whatever conditions may be applied by the State of Nebraska or the United States government.

Retirement Age

Retirement is permitted when employment ceases on or after attainment of age fifty-five (55). Age based mandatory retirement is prohibited.

Legal Reference:	RRS85-606.01	University of Nebraska; State Colleges; Community Colleges; retirement annuity contracts; purchases
	RRS 85-320	State colleges; retirement plan, establishment; terms; investment of funds

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Policy Revised: 4/1/99
Policy Revised: 4/9/02
Policy Revised: 2/10/05
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