

THE CLAREMONT COLLEGES



Please keep in mind, this guide is meant for general information. You may want to consult your financial advisor for assistance with your specific situation.

When approaching retirement, you may have questions and concerns about your future benefits. TCCS Benefits Administration is here to help you. TCCS can review your options within The Claremont Colleges as well as offer resources to other information that can assist you in making the right choice for you and your family.

457(B) DEFERRED COMPENSATION PLAN

PLAN OVERVIEW

- The 457(b) Plan was established to provide eligible employees with an opportunity to defer current taxable income and enhance retirement accumulation
- The Plan is defined as a Section 457(b) plan under the Internal Revenue Code
- The 457(b) Plan does not replace the basic Academic Retirement Plan (ARP), which is a defined as Section 403(b) plans under the Code
- The Plan is intended to complement the retirement accumulation available under the ARP and provide a mechanism for additional tax deferred retirement savings
- TIAA-CREF is the record keeper for the 457(b) Plan

PLAN ELIGIBILITY

- Eligibility is restricted to employees with a monthly base salary of \$12,917 or higher
- The base salary threshold will be increased by 3% on January 1st of each Plan Year

PLAN ENROLLMENT

To enroll in the 457(b), please follow the instructions below:

- Go to www.tiaa.org/theclaremontcolleges
- Select your college of employment and click "Save & Continue"
- Click "Ready to Enroll"
- Click "457(b) Deferred Compensation Plan" for **college of employment and** "Enroll Online"
- Click "Begin Enrollment"
- Log in to your TIAA-CREF account or Click "Register with TIAA: to set up your username and password"
- Follow the on screen directions to complete your enrollment application

SALARY REDUCTION AGREEMENT

- Completion of a Salary Reduction Agreement is required to begin making voluntary elective deferrals through payroll deduction
- Salary Reduction Agreements may be obtained by contacting Loo Hsing, Retirement Supervisor by email at loo.hsing@claremont.edu.

DEFERRED COMPENSATION OPPORTUNITY & LIMITS

- The 457(b) Plan allows participants to make elective deferrals on a tax deferred basis
- The calendar year 2023 basic tax deferral limit is \$22,500

- It is recommended that you maximize deferrals in the ARP first and use the 457(b) Plan for any additional deferral opportunity. Catch-up contributions are also permitted under the 457(b) plan as follows:
 - ◊ In certain situations, you may be able to contribute even more than the annual contribution limit. If you are within 3 years of the Plan's normal retirement age (i.e., age 65), you may contribute the lesser of:
 - a) Twice the normal annual limit for that year, or
 - b) The annual limit for that year, plus any underutilized contributions from prior years in which the Plan was in place, where you did not contribute the maximum amount allowed.

Regulations governing 457(b) plans of private, not-for-profit corporations require that the plans be unfunded. This means that, unlike the 403(b) plans, the assets of the 457(b) Deferred Compensation Plan remain assets of the corporation and the corresponding obligation to Plan participants is a general obligation of the corporation.

INVESTMENT CHOICES

- **Four Track Investment Lineup**
 - *See page 4*

WITHDRAWAL PROVISIONS DISTRIBUTION OF BENEFITS

- You may elect to begin receiving payment(s) from your 457(b) account following severance of employment or you may defer receiving payment(s) until a later date
- Several payment options are available including lump sum withdrawal, fixed-period annuity and lifetime annuity income options.
- **You will have sixty days from the date of your severance of employment to elect when you want funds to be paid to you. If you fail to make an election within sixty days, the entire amount of funds in your 457(b) account will be paid to you immediately in one lump sum payment, less applicable tax withholdings.**

PLAN RESOURCES

- TCCS Benefits Administration
 - ◊ **Loo Hsing - Retirement Supervisor**
 - **(909) 607-3780**
 - **loo_hsing@claremont.edu**

- TIAA-CREF on Site Counseling
 - ◊ One hour one-on-one confidential consultations
 - ◊ Scheduled four to five times a month
 - ◊ Open to participants
 - ◊ **To make an appointment call (800) 732-8353**

- TIAA-CREF Phone Center
 - ◊ **(800) 842-2252**

- TIAA-CREF/Claremont Colleges Microsite
 - ◊ **www.tiaa-cref.org/theclaremontcolleges**
 - Online enrollment
 - Investment option research

- TIAA-CREF Website
 - ◊ **www.tiaa-cref.org**
 - Log into your account
 - Change allocations for future contributions
 - Transfer existing balances
 - View account performance
 - Apply for loans and hardship withdrawals
 - Designate beneficiaries

FOUR TRACK INVESTMENT LINEUP

Participants may select one track, for instance if they want Vanguard Target Retirement Funds or TIAA accounts or may mix and match investment choices from the various four tracks.

<p style="text-align: center;">TRACK 1</p> <p style="text-align: center;">Vanguard Target Retirement Funds</p> <ul style="list-style-type: none"> • Vanguard Target Retirement 2015 Fund • Vanguard Target Retirement 2020 Fund • Vanguard Target Retirement 2025 Fund • Vanguard Target Retirement 2030 Fund • Vanguard Target Retirement 2035 Fund • Vanguard Target Retirement 2040 Fund • Vanguard Target Retirement 2045 Fund • Vanguard Target Retirement 2050 Fund • Vanguard Target Retirement 2055 Fund • Vanguard Target Retirement 2060 Fund • Vanguard Target Retirement 2065 Fund 	<p style="text-align: center;">TRACK 2</p> <p style="text-align: center;">TIAA Accounts</p> <ul style="list-style-type: none"> • TIAA Traditional • CREF Stock • CREF Inflation-Linked Bond
<p style="text-align: center;">TRACK 3</p> <p style="text-align: center;">Index Funds</p> <ul style="list-style-type: none"> • Vanguard Institutional Index Fund • Vanguard Small Cap Index Fund • Vanguard Mid Cap Index Fund • Vanguard Total Stock Market Index Fund • Vanguard Total International Index Fund • Vanguard Total Bond Market Index Fund • Vanguard Federal Money Market Fund • Cohen & Steers Real Estate Securities I 	<p style="text-align: center;">TRACK 4</p> <p style="text-align: center;">TIAA Self-Directed Brokerage Account (SDA)</p> <p style="text-align: center;">Access to thousands of mutual funds, including funds with or without transaction fees.</p>

Track 1 - Vanguard Target Retirement Funds: These funds are professionally managed mutual funds that provide automatic asset allocation based on a target retirement date. In general, each fund is designed for investors who have a specific target retirement year in mind and each fund's investments are adjusted from more aggressive to more conservative as a target retirement year approaches. As with all mutual funds, the principal value of a target retirement fund isn't guaranteed. Also, please note that the target date of each fund is an approximate date when investors may plan to begin withdrawing from the fund. There are currently 12 Vanguard Target Retirement Funds that comprise Track 1.

Track 2 - TIAA Accounts: Track 2 provides access to TIAA products with a range of asset classes and lifetime income options.

Track 3 - Index Funds: Track 3 affords participants the opportunity to invest in a selection of passively managed funds that track segments of the overall market and achieve asset diversification with lower expenses compared to actively managed funds. Vanguard has a reputation for being “the low-cost provider” in the industry and a hallmark of Vanguard’s philosophy is the belief that minimizing cost is vital for long-term investment success. Track 3 includes seven Vanguard index funds representing seven separate broad asset classes: Fixed Income, Total US Stock Market, US Large Cap Blend, US Mid Cap Blend, US Small Cap Blend International and Money Market.

Track 4 - TIAA Self-Directed Brokerage Account: The TIAA Self-Directed Brokerage Account is available to participants who are interested in having access to broader investment markets than is available in Tracks 1, 2 and 3. Participants can select from thousands of mutual funds, including funds with or without transaction fees. Fee-based mutual funds can be accessed at \$35.00 per trade; however, this can be limited to a one-time charge when using the Automatic Investment Plan (AIP). Minimum initial investment is \$5,000; minimum subsequent investments are \$1,000. Participants who choose to invest in Track 4 will need to enroll online and acknowledge that they are investing at their own risk with full understanding that funds offered under Track 4 are not monitored by The Claremont Colleges. This track is intended for sophisticated investors who will be able to navigate the broader universe of mutual funds. Only mutual fund investments and exchange traded funds (ETFs) are permitted under the Self-Directed Brokerage Account. For more information on the Self-Directed Brokerage Account, call 800-927-3059 to speak to a TIAA individual consultant who specializes in brokerage services.

Tracks 1 through 3 are considered “core” investment options and as such, these options are selected and monitored with the assistance of an outside investment advisor.

Track 4 allows access to thousands of mutual funds outside of the core through a self-directed brokerage account.