

Retirement Savings Plan

203.5

I. Policy

The University of Michigan offers a combined 403(b) and 401(a) defined contribution retirement plan for regular and supplemental faculty and staff.

II. Regulations

A. ELIGIBILITY AND ENROLLMENT:

Enrollment is open to regular faculty and staff members, with a funded appointment of four continuous months or more, with an appointment fraction of 1% or greater. Supplemental instructional staff may enroll with a funded appointment of 50% or more for four continuous months or more. Enrollment is not automatic and may occur at any time up to the point of meeting the criteria for Compulsory participation (see II.C). Information on plan terms and features, enrollment applications and deadlines, plan benefits, and income options are available by contacting the Benefits Office and by visiting the Benefits Office website at: <http://benefits.umich.edu/plans/retire/>

B. CONTRIBUTIONS:

The participant contributes 5% of eligible gross salary and the University contributes 10%. All contributions are tax-deferred and immediately vested and nonforfeitable. All contributions stop during periods of non-pay, including leaves of absence without pay and layoff (RIF). Contributions during a sabbatical are provided on actual salary paid.

Individuals hired or newly eligible to participate in the Retirement Savings Plan on or after January 1, 2010 must complete a waiting period of twelve consecutive months of eligible service in order to become eligible to receive the university 10% contribution to the Retirement Savings Plan. Individuals represented by a union or collective bargaining agreement should check with the terms of the collective bargaining agreement to determine if the waiting period applies.

Individuals who become ineligible for the Retirement Savings Plan or terminate employment and are rehired or become newly eligible to participate on or after January 1, 2010 must complete the waiting period to become eligible to receive the 10% university contribution to the Retirement Savings Plan if the gap in employment or eligibility is one year or greater.

Individuals must affirmatively enroll in the Retirement Savings Plan in order to receive the 10% university contribution. Enrollment and university contributions do not automatically begin due to completing the waiting period.

C. COMPULSORY PARTICIPATION:

Regular employees age 35 or older with two or more years of service and currently at a 100% appointment effort, must participate in the plan and continue participating until termination, retirement or an ineligible appointment. A reduced benefit option is available to select which does not require employee contributions on earnings below the Social Security wage base and provides a lower University contribution.

D. LUMP SUM DISTRIBUTION:

Lump sum distributions of employee contributions and earnings are available at any age after termination of employment. Lump sum distributions of University contributions and earnings are available at age 55 or older after termination of employment. Official University retirees (see [SPG 201.83](#)) may elect a withdrawal of all contributions and earnings regardless of age.

E. RETIREMENT PLANS FOR BARGAINED-FOR STAFF MEMBERS:

Staff members subject to terms and conditions of collective bargaining agreements should consult the specific provisions in their current agreements dealing with the Retirement Plan.

F. LIMITATIONS:

The University in its sole discretion may modify, amend, or terminate the plan. Nothing in these materials gives any individuals the right to continued plan benefits beyond those accrued at the time the University modifies, amends, or terminates the plan. Anyone seeking or accepting any of the benefits provided will be deemed to have accepted the terms of the plan and the University's right to modify, amend, or terminate the plan.

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