

**Yale University**  
**457(b) Deferred Compensation Plan**  
*Summary Plan Description*

(Amended and restated January 1, 2020)

The 457(b) Plan is a nonqualified deferred compensation plan that permits eligible Faculty and Managerial & Professional Staff to accumulate additional tax-deferred retirement savings.

## Yale's 457(b) Plan at a Glance

<i>FEATURES</i>	<i>457(b) PLAN PROVISIONS</i>
Type of Plan	457(b) non-governmental deferred compensation plan
Eligibility	Tenured Professor, Tenured Associate Professor <i>or</i> Professor on continuing appointment in the School of Medicine, <i>or</i> Faculty or staff with base salary at or above 1.5 x Social Security Wage Base (please refer to the IRS website at <a href="http://www.IRS.gov">www.IRS.gov</a> for the current Social Security Wage Base amount).
Enrollment	Voluntary
Effective Dates	The 1 <sup>st</sup> of the month following any enrollment, cancellation, or change.
Duration of Contributions	Participation continues until you make a change or are no longer eligible.
Maximum Annual Deferral	IRS maximum limit, subject to change each year (please refer to the IRS website at <a href="http://www.IRS.gov">www.IRS.gov</a> for the current employee salary deferral limit).
University Contributions	None
Asset Transfer	Transfers in not allowed, transfers out allowed to qualified non-governmental 457(b) plans.
Loans	Not available
In-service withdrawals of Participant Contributions	Available only in extremely limited circumstances to satisfy “unforeseeable emergency” (does not include purchase of primary residence and tuition payments).
Benefit Start Date	Your account balance will be paid in a lump sum on April 1 of the year following the calendar year of in which you retire or otherwise terminate employment with Yale unless you elect a later payment date or an alternate payment form before March 1 of the calendar year following the calendar year in which you retired or otherwise terminated employment. Alternate payment dates and forms typically include installment payments and annuities that can start as late as April 1 after the year you attain age 70½.
Survivor Benefits	Benefits will be paid to your named beneficiary or, if none, your surviving spouse (if any), survivor(s), or estate. If you die before your first payment, your beneficiary will be paid in a lump sum on April 1 of the year following the calendar year in which you died unless they elect a later payment date or an alternate payment form before March 1 of the year following the calendar year in which you died. If you die after your first payment, your beneficiary will be paid according to the terms of any annuity you elected or in a lump sum.
Plan Administrator	Yale University
Investment Sponsor	TIAA

## PLAN OVERVIEW

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The remainder of this summary plan description is presented in question-and-answer format to help you better understand the 457(b) Plan and how it works. Please refer to the Plan document for full details.

### Eligibility

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**Q:** *Who is eligible to participate in the 457(b) Plan?*

**A:** Eligible participants must satisfy the following requirements:

- Tenured Professor, Tenured Associate Professor *or*
- Professor on continuing appointment in the School of Medicine *or*
- Faculty or staff with base salary of 1.5 times the Social Security Wage Base or greater (check [www.IRS.gov](http://www.IRS.gov) for current limits).

**Q:** *When am I eligible?*

**A:** Your eligibility is determined on a monthly basis. If you no longer meet the requirements for participation, your contributions will end the month following the date you no longer meet the requirements for the Plan.

### Enrollment

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**Q:** *How do I enroll in the 457(b) Plan?*

**A:** Visit [www.tiaa.org/yale](http://www.tiaa.org/yale) and Log in or Register as a new user. You will be required to create a User ID and Password if you have not already done so.

**Q:** *What selections must I make when I enroll?*

**A:** Some of the decisions you need to make are:

- The amount you want to defer. You can enter a percentage (between 1 and 75%), a flat dollar amount, or you may choose the IRS maximum amount.
- The funds you want to invest in. If you do not choose your own fund allocation, you will be defaulted to the age appropriate Yale Target-Date Plus model portfolio. You have the option at any time to change the investment of your future and past Plan contributions.

**Q:** *When will my enrollment become effective?*

**A:** The month following your election. For instance, if you enroll in September, your contributions will start in October.

**Q:** *Do I have to re-enroll each year?*

**A:** No, your enrollment continues until you change or cancel your election or you are no longer eligible.

### Contributions

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**Q:** *How much can I contribute?*

**A:** Up to 75% of your monthly pay not to exceed the federal annual maximum.

- Q:** *Is the maximum annual amount pro-rated if I begin contributing mid-year?*  
**A:** No, the maximum contribution amount option will always adjust your contributions to the annual amount by the end of the calendar year. If you don't want to save the maximum in a particular year, you should not elect the maximum amount option. *Important Note: The IRS maximum election option will spread the maximum annual amount over the remaining months of the calendar year.* For example, if you choose the maximum contribution amount option in September of any given calendar year, then the maximum annual amount will be spread evenly over October, November and December of said year.
- Q:** *Are all of my earnings subject to deferral?*  
**A:** Generally most of your taxable income is subject to 457(b) deferrals.
- Q:** *How often may I change the amount I choose to contribute?*  
**A:** You can change your elections monthly but they are always effective no earlier than the following month.
- Q:** *Can I stop my contributions?*  
**A:** You can terminate your election at any time effective the following month.
- Q:** *What happens if I take a leave of absence?*  
**A:** If you are on a paid leave of absence, your salary deferrals will continue. If you are on an approved, unpaid leave of absence, your deferrals will resume upon your return. Please be aware that if you elected maximum contributions, the system will automatically increase your contributions so that you contribute the maximum by the end of the calendar year.
- Q:** *Does the 457(b) Plan provide catch-up contributions?*  
**A:** The only catch-up contributions in the plan are for qualified military service.
- Q:** *Does the university contribute to the 457(b) Plan?*  
**A:** No, all contributions are employee salary deferrals.
- Q:** *Can I transfer funds into this Plan from another 457(b) Plan or from a 403(b) or 401(k) plan or an IRA?*  
**A:** No.

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## Your Account

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- Q:** *How are my contributions invested?*  
**A:** If you do not make your own fund allocation you will be defaulted to the age appropriate Yale Target-Date Plus model portfolio. You have the option at any time to change the investment of your future and past Plan contributions at [tiaa.org/yale](http://tiaa.org/yale).
- Q:** *Can my investment selection from YURAP be used for the 457(b)?*  
**A:** You have the same investment options, but each program requires a separate investment enrollment.
- Q:** *Are my salary deferrals placed in trust or otherwise funded?*  
**A:** Your salary deferrals are not placed in a trust nor are your benefits funded. Rather, your salary deferrals are held as general assets of the University and are subject to the claims of creditors. The federal pension and tax laws require that the 457(b) Plan be "unfunded." Even though the 457(b) Plan is unfunded, your

salary deferrals are credited with investment earnings based on the performance of the investment option you selected. Your salary deferrals and credited investment earnings are always fully vested.

**Q:** *If the 457(b) Plan is unfunded, am I better off taking my salary in cash and investing it elsewhere?*

**A:** While the 457(b) Plan is not funded, Yale is committed to paying amounts credited to your deferral account. The 457(b) Plan provides significant tax advantages to you because your salary deferrals and investment earnings grow tax-deferred until distributed. You should consult with your own tax or financial advisor to evaluate the benefits of the 457(b) Plan compared to the rewards and risks of alternative investment strategies.

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## **Receiving Payments from the 457(b) Plan**

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**Q:** *What happens when I leave Yale?*

**A:** Upon your severance or retirement you can elect to take your distribution or you can elect to defer your distribution to a later date provided you make that election by March 1 of the year after the calendar year in which you retire or otherwise terminate employment with Yale. If you do not submit your deferral election or request to receive your benefit in the form of installments or an annuity by March 1 following the calendar year in which you retired or otherwise terminated employment with Yale, your entire account balance will be paid to you in a taxable lump sum on April 1 of the year following the calendar year in which you retire or terminate employment. See following answers about your payment options.

**Q:** *May I defer my payment date?*

**A:** As long as you make an election prior to March 1 of the year following the calendar year in which you retire or terminate employment, you may defer the payment of your account balance to a future date. You may also make a second election to defer payment of your account balance if you do so more than 30 days prior to your payment date. In no event, however, may you defer your payment beyond April 1 of the year following the calendar year in which you reach age 70½ or, if later, April 1 of the year following the calendar year in which your employment with the University terminates. You will receive payment deferral forms directly from TIAA after you retire or terminate employment.

**Q:** *Do the Required Minimum Distribution rules apply to the 457(b) Plan?*

**A:** Yes, you must begin receiving distributions by April 1 of the year following the calendar year of your retirement or termination, or by April 1 of the year following the calendar year in which you reach age 70½, whichever is later. Your account balance will be paid in a lump sum unless you elect another payment option that provides for payments that equal or exceed your required minimum distribution amount more than 30 days prior to your payment date.

**Q:** *What payment options are available?*

**A:** You may elect any payment option offered by the investment sponsor. TIAA offers lifetime annuity options (single or joint life), fixed period annuity, lump sum and required minimum distributions. Contact TIAA at 855-250-5424 for further information.

**Q:** *Does the 457(b) Plan provide for withdrawals?*

**A:** The standard for withdrawals in the 457(b) plan is more difficult to satisfy than YURAP. If you suffer an “unforeseeable emergency,” you may make a written request for payment of all or a portion of your account balance in an amount sufficient to satisfy that emergency. An unforeseeable emergency is a severe financial hardship resulting from your illness or accident (or that of your beneficiary), the loss of property

due to casualty, or other similar extraordinary and unforeseeable circumstances arising from events beyond your control.

**Q:** *Can I take a loan against my 457(b) account?*

**A:** Loans are not available under the 457(b) Plan.

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## **Beneficiary Designation & Death Benefits**

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**Q:** *How do I designate my beneficiary?*

**A:** You may designate your beneficiary by accessing your TIAA account online at [www.TIAA.org/yale](http://www.TIAA.org/yale) at any time prior to the commencement of benefits. You can designate any individual, trust or estate as your beneficiary. Your beneficiary designation will not be effective until you file the designation with TIAA.

**Q:** *Are my beneficiaries the same as my YURAP beneficiary designations?*

**A:** No. You must make separate beneficiary designations for your 457(b) account. It is important to keep your beneficiary designations up-to-date for each of the retirement plans that you participate in. If you have questions regarding a beneficiary designation, contact TIAA at 855-250-5424.

**Q:** *What happens if I do not designate a beneficiary?*

**A:** If you do not designate a beneficiary or your beneficiary predeceases you, then the total balance of your deferral account will be distributed to your surviving spouse (if any), estate or heirs-at-law.

**Q:** *What happens to my account balance if I die?*

**A:** If you die before commencing payments from your account your beneficiary can elect to take a distribution of your account balance or to defer the distribution to a later date provided the election is made by March 1 of the year following the calendar year in which you die.

If your beneficiary does not either take a distribution or submit a deferral election by March 1 following the calendar year in which you died, your entire account balance will be paid to your beneficiary in a taxable lump sum on April 1 of the year following the calendar year in which you die.

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## **Claims and Appeals Procedures**

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**Q:** *Can I submit a claim under the 457(b) Plan?*

**A:** Yes, you must file a claim with TIAA. If your claim is denied, you will be provided with notice of the denial within 90 days after your claim is received, unless this deadline is extended in order to fully process your claim. This notice will include the reason for the denial, the provisions of the 457(b) Plan on which the denial is based, a description of any additional information or materials necessary to perfect the claim (and an explanation of why such information or material is necessary), a description of the 457(b) Plan's appeals procedures, and a statement of your right to bring a civil action under Section 502(a) of ERISA.

**Q:** *How do I file an appeal?*

**A:** If the determination to deny your claim is not acceptable to you, you may file an appeal with the plan administrator. The appeal must be in writing and filed within 60 days after the date your claim for benefits is denied by TIAA. See Section VIII of the 457(b) Plan for Claims and Appeals Procedures.

## Additional Information

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**Q:** *Who is the Plan Administrator?*

**A:** Yale University is the plan administrator for the 457(b) Plan. Formal communications should be directed to Benefits Planning, Yale University, 221 Whitney Avenue, New Haven, CT 06511.

**Q:** *Who should I contact if I have questions about the 457(b) Plan?*

**A:** For more information regarding the 457(b) Plan, please contact:

Yale Employee Services	(203) 432-5552	<a href="mailto:employee.services@yale.edu">employee.services@yale.edu</a>
TIAA	(855) 250-5424	<a href="http://www.tiaa.org/yale">www.tiaa.org/yale</a>
457(b) Plan Document		<a href="http://your.yale.edu">http://your.yale.edu</a>

*This Summary Plan Description summarizes the major features of the Plan as in effect on January 1, 2020 but it is not intended as a substitute for the legal plan documents. If a provision in the legal plan documents and this Summary Plan Description conflict, the provisions of the legal plan documents will control.*