Important 403(b) Information
Yale University Retirement Account Plan (YURAP)

YURAP Automatic Enrollment and Automatic Escalation
When you become eligible for YURAP, you are automatically enrolled to save 5% of your eligible pay as a pre-tax contribution to your YURAP account. You have the option to increase or decrease your contribution at any time.

Each July, if you are saving less than 10%, YURAP’s annual automatic-escalation feature will adjust your savings rate. If your employee contribution rate is below 5%, it will increase to 5%; and, if your contribution rate is above 5%, but less than 10%, it will increase by 1%.

You will be notified in advance of upcoming automatic escalation increases to allow the opportunity to adjust your contribution rate.

Employee Pre-Tax Contributions
Pre-tax contributions are deducted before federal and most state and local income taxes are calculated which means that your current taxable income is reduced by the amount of your pre-tax contributions. Taxes on your contributions (and any investment returns) will apply when funds are withdrawn from YURAP.

Employee Roth 403(b) After-Tax Contributions
Roth 403(b) after-tax contributions are an alternative you may select. If you satisfy IRS requirements, including that your first Roth 403(b) after-tax contribution to YURAP was at least five years prior and you are 59½ years or older at the time of distribution or withdrawal, your contributions and earnings won't be taxable.

You may choose to make all pre-tax contributions, all Roth 403(b) after-tax contributions, or a combination of both.

Changing the Amount You Contribute
You can change your contribution rate at any time by logging onto your account at TIAA.org/yale. There are federal limits that apply to the maximum amount you can contribute to the Plan and the maximum salary that can be considered for university contributions. These IRS plan limits can be found on your TIAA personal account page at TIAA.org/yale.

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University Match Contributions

The university will match 100% of your contributions, up to 5% of your eligible pay. To maximize receiving university matching contributions, you must contribute at least 5% of your eligible pay for the Plan year. Automatic enrollment and escalation to 5% each year is designed to minimize the possibility that you could miss out on potential university matching contributions. The Plan also monitors your savings throughout the year to allow you to “catch up” on matching contributions that you may have missed earlier in the year.

For example:
If you earn $6,000 in eligible pay during a pay period and you contribute 5% of your pay, the university will reduce your pay by $300 (5% of $6,000) for the pay period and then put that $300 into your YURAP account. The university will also make a matching contribution to your YURAP account of $300 for the pay period. If, instead, you choose a contribution rate of 3% (still assuming $6,000 in eligible pay per pay period), the university will reduce your pay by $180 and put this amount in your YURAP account, and will make matching contributions of $180 for the pay period. By choosing a contribution rate of 3% instead of 5%, you lose $120 of university matching contributions.

The University Match Contribution is intended to be a safe harbor matching contribution as described in Section 401(m)(11) of the Internal Revenue Code.

University Core Contributions

The university also makes a contribution on your behalf to YURAP whether or not you make employee contributions. This contribution is called the “University Core Contribution.”

YURAP is designed to provide you with a University Core Contribution each Plan Year.

As part of the continuing improvements to YURAP, beginning January 1, 2017, the Plan Year is being changed to a calendar year to follow the tax year of Plan participants. A Short Plan Year (July 1, 2016 – December 31, 2016) was required to make this change.

Beginning January 1, 2017, your University Core Contribution will equal:
• 5.0% of eligible pay below the 2017 Social Security Wage Base plus
• 7.5% of eligible pay at or above the 2017 Social Security Wage Base, up to the Annual Compensation Limit.

The Social Security Wage Base ($127,200 for the 2017 Plan Year) and the Annual Compensation Limit ($270,000 for the 2017 Plan Year) will be adjusted, as necessary, each January 1, and will be applied to your eligible pay on a calendar-year basis, beginning with the 2017 calendar-year.

Vesting of YURAP Contributions

You are immediately vested in your Employee Contributions, University Match, University Core Contributions and any investment returns thereon. To be fully vested means that your YURAP contributions and any investment returns will always belong to you, and you will not lose them even if your employment with the university terminates.

Even though you are fully vested, there are restrictions on when you may withdraw funds from your YURAP account. You may withdraw YURAP funds or roll them over to another employer or IRA after you retire or terminate your employment with Yale. You may also withdraw your Employee Contributions and earnings after age 59½, even if you are still employed at Yale.

Withdrawals before age 59½ typically are subject to a 10% excise tax. Your beneficiary is entitled to any amounts remaining in your YURAP account upon your death.
Investment of YURAP Contributions

YURAP allows participants and beneficiaries to direct the investment of their Plan contributions, i.e., employee contributions, University Match Contributions and University Core Contributions. If you do not provide investment instructions, Plan contributions are automatically invested in YURAP’s qualified default investment option and remain invested in the qualified default investment option until you direct otherwise. To make a choice regarding the investment of your Plan contributions, you may do so online at TIAA.org/yale.

TIAA-CREF Lifecycle Fund

Your Plan contributions are automatically invested in an age-appropriate TIAA-CREF Lifecycle Fund if you do not select your investment options. If you designated Vanguard as your investment company prior to March 24, 2015, and did not select your investment options, your YURAP contributions continue to be automatically invested in a Vanguard Target Retirement Fund. The default fund election will remain in effect until you select other investment options by contacting TIAA at TIAA.org/yale or 855-250-5424.

TIAA-CREF Lifecycle Funds, also known as Target Date funds, consist of a series of target retirement date funds in five-year increments where you select the fund that most closely matches your retirement year, for example, a Lifecycle 2040 Fund is for an investor planning to retire in or around 2040. If your investments are defaulted to the TIAA-CREF Lifecycle Fund, your investments will be placed in the fund that most closely matches the year of your 65th birthday. They are professionally managed and automatically adjust over time—relieving you of the need to make investment, allocation, and rebalancing decisions every year.

TIAA-CREF Lifecycle Funds aim for an age-appropriate investment over time while maintaining a diversified, risk-managed exposure across a wide range of asset classes. By providing exposure to equities during early periods of retirement savings, the Lifecycle Funds are designed to provide opportunities for asset growth and favorable risk-adjusted returns. As retirement approaches, the gradual increase in fixed-income investments, up to and during the target retirement period, addresses the investor’s need for increased stability of principal over shorter savings horizons. The ongoing allocation to equities during retirement is designed to strike a balance between the need for both current income and continued growth throughout retirement years.

The TIAA-CREF Lifecycle Funds are intended to be “qualified default investment alternatives” as described in Section 404(c)(5) of the Employee Retirement Income Security Act (ERISA). Specific information, including a description of the fund’s investment objectives, risk and return characteristics, fees, and expenses, are included with this notice.

Change How Your YURAP Contributions are Invested

If your YURAP contributions are automatically invested in a TIAA-CREF Lifecycle or Vanguard Target Retirement Fund, you have the option at any time to change the investment of your future and past Plan contributions. If you do nothing, your Plan contributions will continue to be invested in a TIAA-CREF Lifecycle Fund or Vanguard Target Retirement Fund.

To make investment changes, to change the amount you want to contribute to the Plan, or to learn more about the Plan’s investment options, log on to your account at TIAA.org/yale, or call TIAA at 855-250-5424.

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Designate Your Beneficiary

To view or change your beneficiary designation, visit TIAA.org/yale and log in to your secure account or register for online access. Click on the My Account tab, and choose Change beneficiaries under the Profile heading.

Keep in mind that if you had a TIAA and a Vanguard account prior to April 24, 2015, the beneficiary designation on your existing TIAA account applies to the Vanguard assets that were transferred to TIAA. If you had only a Vanguard account, your prior beneficiary designation on your Vanguard account is no longer valid. Until you designate a beneficiary, your designation will default to your estate if you are unmarried, and to your spouse if you are married.

Access Your Account at TIAA

Register at TIAA.org/yale to set up access to your account so that you can review and manage your contributions and investments online. To register for secure online access, visit TIAA.org/yale and select Register or Log in to establish your user ID and password. For assistance with setting up a user ID and password, call TIAA at 855-250-5424, Monday to Friday, 8 a.m. to 10 p.m., or Saturday, 9 a.m. to 6 p.m. (ET).