RETIREMENT PLAN

PURPOSE: To provide a retirement plan in the form of a 403(b) for all eligible employees.

POLICY: The University shall provide a non-contributory, defined contribution retirement plan, known as the Franklin Pierce University Retirement Plan, which is immediately and fully vested and also allows voluntary contributions by all eligible employees in accordance with Internal Revenue Service (IRS) 403(b) requirements.

DATE APPROVED: July 7, 1999

REVISED: September 1, 2007, April 4, 2005

PRACTICES & PROCEDURES:

I. Plan Description
   A. Under the Franklin Pierce University Retirement Plan, the University offers all eligible employees the choice of two (2) pension vendors, both of whom offer a selection of annuity and thrift plans which have been pre-approved by the University. These two organizations are:
      1. Teachers Insurance and Annuity Association (TIAA) and the University Retirement Equity Fund (CREF); a non-profit institution known as TIAA-CREF. Their main office is at 730 Third Avenue, New York, N.Y. 10017.
      2. Variable Annuity and Life Insurance Company (AIG-VALIC). Their main office is at 2929 Allen Parkway, Houston, Texas 77019
   B. A description of plan requirements and eligibility rules established jointly by the University, TIAA-CREF and VALIC are available on the HR Website (click the attached link) Plan Description or by requesting a copy from the Human Resources.

II. Eligibility
   A. Entry age into the plan is twenty-one (21), and there is a one (1) year waiting period.
   B. The waiting period may be satisfied by having accumulated one (1) year of full-time service at another institution of higher education.
   C. Part-Time Employees
      1. Part-time employees may become eligible for participation in any one year, in accordance with ERISA regulations, provided they are employed a minimum of one thousand (1,000) hours during the calendar year as determined by the University.
      2. The University monitors part-time employees for the total number of hours worked each calendar year, as they may become eligible again in subsequent years while employed by the University.
3. New employees not yet meeting any or all of the eligibility requirements may, on a voluntary basis, arrange to make personal contributions to the retirement plan at any time. Inquires may be made directly to the Human Resources Office.

4. Part-time employees must, also meet all of the eligibility requirements for full-time employees under the plan.

III. Plan Funding
A. University contributions are based on a combination of age and years of service at the University. Contributions may commence as early as the first of the month following thirty (30) days of employment.
   1. University contributions range from a minimum of six percent (6%) to a maximum of ten percent (10%) of base wage/salary.
   2. University contributions are made monthly for exempt employees and bi-weekly for non-exempt employees; all contributions are then transmitted to one or both of the pension vendors in accordance with plan regulations.
   3. For part-time employees, University contributions are made in a lump sum in January of the year following eligibility. Such contributions are computed as a percentage of the total base wage/salary earned the previous calendar year ending December 31.

B. Voluntary employee contributions may be made on a deduction (after tax) or on a reduction (before tax) basis.

C. Contributions made on a tax-deferred basis by the employee are subject to the personal contribution maximum allowed by the IRS.

VI. Termination of Retirement Plan
A. The University’s participation in the plan shall cease upon the employee’s termination from the University.

B. This retirement plan is portable and may be reactivated upon new employment with another institution that utilizes either TIAA-CREF or VALIC.

C. Retirement
   1. Normal retirement age under these plans is age 65, and one can activate the plan by terminating from the University at that time.
   2. The Retirement Plan cannot be terminated nor can withdrawals made for funds annualized prior to early retirement age, 55, but then only if employment with the University is also terminated.

D. Terminating employees who do not meet retirement requirements under the plan but have been participants in the plan for less than five (5) years may, under limited circumstances, apply for repurchase of funds that have accumulated and vested in their name. The University will approve such repurchase if all other conditions of TIAA-CREF and VALIC have been met.