

Human Resources Communication, August 2007

## Notice to Faculty/Staff Members re: Updated Retirement Plan Information

The University System of New Hampshire (USNH) offers eligible faculty and staff members the opportunity to participate in a Defined Contribution Retirement Plan with a variety of investment opportunities that permit faculty and staff members to take greater personal control of their retirement program.

Faculty and staff members electing to make salary deferrals may opt to make supplemental salary deferrals in accordance with IRS regulations. Additionally, faculty and staff members who have chosen to make supplemental salary deferrals are also eligible to make salary deferrals in USNH's 457(b) non-qualified deferred compensation plan.

USNH has been undergoing an IRS Audit of its 403(b) and 457(b) retirement plans. While the review is ongoing, USNH has determined it should eliminate one of the three provisions permitting extra tax deferral (the "15 year rule") in order to most effectively protect the tax shelter status of the entire plan. In addition, the formula used to calculate an individual's maximum level of deferral has been re-adjusted to ensure that both USNH and individual faculty and staff members are not in jeopardy of tax liabilities or penalties for exceeding the limits.

**Please Note: If your salary deferrals are affected by this change, you have the opportunity to elect and/or increase salary deferrals in the 457(b) plan.**

Fortunately, USNH established a 457(b) plan four years ago. This tax deferral vehicle provides another opportunity to make salary deferrals in a manner similar to the 403(b). Additional information on the 403(b) and/or 457(b) plans can be accessed online at: <http://www.usnh.edu/hr/benefits/retirement.html>

### Enroll and/or Make Changes to USNH Retirement Elections

We are pleased to announce an additional feature of the USNH's online enrollment site, [MyUSNHBenefits.net](http://MyUSNHBenefits.net); the ability to enroll and/or make changes to Retirement Benefits (including, if applicable, regular, supplemental and/or 457(b) plans). To initiate an enrollment and/or change:

- Log on via [MyUSNHBenefits.net](http://MyUSNHBenefits.net). If you need assistance with the log on process, please contact your Campus Human Resources Office.
- Once logged onto the site, click on the link "Enroll in or Change Retirement Benefits."
- Once your changes or enrollment is confirmed you will also need to click the appropriate retirement vendor link to establish your account (applies to new accounts and/or vendor change).

If you have any questions regarding this notice please contact your Campus or System Human Resources Office.