

INFORMATION ON YOUR PARTICIPATION IN THE STUDENT EMPLOYEE RETIREMENT PLAN

One of the benefits you receive as a student employee at a Colorado Institution of Higher Education is the participation in the Department of Higher Education Student Employee Retirement Plan (SERP). The SERP was created in 1993 pursuant to federal law that requires the state to provide a replacement retirement plan when the student is not eligible for participation in the social securities program. Pursuant to this federal requirement, a retirement savings account has been established in your name at TIAA-CREF for your contributions to the plan. The following information describes the plan in greater detail including, the investment flexibility available.

Why was the SERP created?

The State of Colorado was required by federal law to develop a replacement for Social Security for student employees at all Colorado Institutions of Higher Education. In 1992, several options were reviewed for providing retirement benefits for student employees. These options included opting into Social Security, participating in the Colorado Public Employees' Retirement Association (PERA) or establishing the SERP. The SERP was chosen for several reasons, a few of which included:

- The SERP allows for a refund of the student employee contribution upon termination of employment.
- After leaving the institution and gaining full-time employment, the account can be transferred to another employer's retirement plan (if the new employer plan allows such transfers).
- The accounts are fully vested, allowing students to reclaim the full amount of their investment and its earnings, minus any taxes and penalties.
- The SERP does not require an institutional contribution that would take dollars away from funding for student financial aid or other campus programs and services.

Who participates in the SERP?

Undergraduate students taking less than six credit hours each semester and graduate students taking less than three credit hours during the Summer semester or less than five credit hours during the Spring or Fall semester are required to participate in the plan.

How does the plan work?

The plan requires that 7.5% of your pay be deferred to a retirement plan account. This retirement contribution is made on a pretax basis and could grow tax-deferred until withdrawn. TIAA-CREF has been selected as the vendor for the SERP, so all contributions will be automatically sent to them by the payroll department.



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HOW TO ACCESS YOUR ACCOUNT

Your account is currently invested exclusively in the CREF Money Market account. You can use any of these ways to review and make changes to this allocation.

1. Personalize your log-in at www.tiaa-cref.org
2. Contact TIAA-CREF's automated telephone service at **(800) 842-2252**
3. Contact the TIAA-CREF Telephone Counseling Center at **(800) 842-2888**

How do I enroll in the plan?

The enrollment process is automatic, so you will not need to complete any forms. Once your institution determines that you must participate in the plan they will automatically forward your contributions to TIAA-CREF where an account will be established in your name. The investment election for the account will automatically be set to the CREF Money Market account and your estate will be named as the beneficiary. After the account is established you can contact TIAA-CREF to review your account and make changes to the investment allocations and your beneficiary designation if needed.

How are my contributions invested?

Once the first contribution is sent to TIAA-CREF, an account will be established and the investment allocation will automatically be the CREF Money Market account. You can easily change this allocation by calling the Automated Telephone System (ATS) at (800) 842-2252 or registering online with a Log-in ID at www.tiaa-cref.org. You may allocate your account among the following TIAA-CREF investment options:

- TIAA Traditional
- TIAA Real Estate
- CREF Money Market
- CREF Inflation-linked Bond
- CREF Bond
- CREF Stock
- CREF Equity Index
- CREF Global Equities
- CREF Growth
- CREF Social Choice

For additional information about these investment options and assistance in developing an asset strategy that best fits your needs you may use the calculators and planning tools on the web site at www.tiaa-cref.org or call our Telephone Counseling Center at (800) 842-2888.

What costs are associated with the account?

TIAA-CREF's expenses are among the lowest in the variable annuities and mutual funds industries (Morningstar Datalab™ Charting Tool Report Peer Group Analysis [February 2005]. Based on Morningstar expenses comparisons by category). Also, there are no additional sales charges deducted from the contributions or annual account maintenance fees. This helps ensure more of your money is contributed to your retirement account.

What are my options when I am no longer a student employee?

Upon termination of employment you will have three options:

1. Maintain your retirement account with TIAA-CREF
2. Roll the account to an IRA or employer sponsored retirement plan (if your new employer allows rollovers)
3. Withdraw the balance from your account.

Only options one and two will preserve the tax-deferred status of your contributions. If you select option three and withdraw the funds, the distribution will likely be included as ordinary income in the year it is withdrawn and may also be subject to an additional 10% early withdrawal penalty. If you keep your account with TIAA-CREF it is important that you notify them of any change of address so you can continue receiving your quarterly statements.

Can my account be automatically distributed from the plan?

Under the plan rules, inactive accounts can be distributed from the plan. Inactive accounts are those with under \$1,000 that have not received any new contributions for more than 18 months. TIAA-CREF will contact you with an explanation of all distribution options prior to completing an automatic distribution of your account.