



Summary of your core retirement plan: Employee Retirement Investment Plan (ERIP)

The ERIP is the core retirement plan for active benefit-eligible university employees hired October 1, 2012 or after or returning benefit-eligible employees who were not vested upon termination or who was previously vested but took a full retirement plan distribution.

Summary of ERIP

Plan design	Defined benefit
Multiplier Formula	1% of pay, average of 5 highest consecutive years of salary, Service Credits
Vesting	5 years of service
Plan design	Defined contribution
UM base defined contribution	2% of pay
UM match	100% of up to an additional 3% of pay
Vesting	3 years of service (need not be consecutive)

Defined benefit portion

The ERIP has two components: (1) the defined benefit portion and (2) the defined contribution portion. The defined benefit portion is structured as a typical pension plan. You are automatically enrolled in this benefit; you do not need to actively enroll. Your retirement benefit is determined by your age at retirement and your:

- Service credits
- Average of highest five consecutive years of salary, including summer appointment salary
- A 1% multiplier

You earn service credits by working as a benefit-eligible employee. Regular service credit is counted in full years and days from the date you join the University to your termination date. The [Summary Plan Description](http://umurl.us/SPDERIP) (<http://umurl.us/SPDERIP>) has more information about earning service credits.

Vesting: In order to receive a benefit from the defined benefit portion of the plan, you must vest to become a qualified member. This means that you must complete five years of service credit to be vested and receive a benefit from the defined benefit portion of the plan. Please refer to the [Summary Plan Document](http://umurl.us/SPDERIP) (<http://umurl.us/SPDERIP>) has more detailed information on vesting.

Employee Contributions: Employees will contribute 1% of their first \$50,000 of eligible salary. Once the employee reaches a threshold of \$50,000 in year to date earnings, the contribution increases to 2% of eligible salary. Contributions reset to 1% each January 1.

Retirement: You are eligible to retire as early as at least age 55 with at least 10 years of service credit, or at least age 60 with at least five years of service credit. A reduction in benefit may apply for retiring early. One year of service credit must be achieved after age 54.

Survivor Benefit: If a vested member dies while actively employed, the plan provides a minimum benefit of at least one time your regular annual salary as of the date of your death. The [Summary Plan Description](http://umurl.us/SPDERIP) (<http://umurl.us/SPDERIP>) has more detailed information on this benefit.

Beneficiary Designation: It is important to name beneficiaries—i.e., those whom you intend to inherit your benefit in the event of your death. To designate a beneficiary(ies) under the defined benefit portion of the plan, complete a [beneficiary form](http://umurl.us/benforms) (<http://umurl.us/benforms>). Please return the completed form to the UM System Office of Human Resources Service Center:

1000 W Nifong Blvd.
Bldg 7, Suite 210
Columbia, MO 65211-8240
Fax: (573) 882-9603, Email: hrrservicecenter@umsystem.edu



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Defined contribution portion

The defined contribution portion of the plan is made up of employee and employer contributions. The University will make a base contribution of 2% of your eligible salary to the 401(a) plan. In addition, the University will provide a matching contribution to the 401(a) plan which is equal to your contribution to the 457(b) plan of up to 3% of your eligible salary. These employer contributions, along with your contributions to the 457(b) plan and your investment earnings and/or losses, will equal the value of your account should you become vested. If you terminate employment with the University before becoming vested, the University's non-elective contributions and matching contributions made to the Plan on your behalf are forfeited. See below for more information about how to become vested.

What makes up the defined contribution?

Employee contribution to the 457(b) Plan
UM Match to 401(a) (100% of up to 3% employee contribution to the 457(b))
UM Base Contribution to 401(a) (2%)

Please see the hypothetical illustration for details:

Contribution type	% of salary	Annual contribution
UM base defined contribution to 401(a)	2%	\$1,000
Employee contribution to 457(b)	3%	\$1,500
UM match contribution to 401(a)	3%	\$1,500
TOTAL	8%	\$4,000

Enrollment: Upon employment, you will be automatically enrolled in the 457(b) plan at a deferral rate of 3% of your eligible salary. This is done to ensure you receive the full University matching contribution to the 401(a) plan. It is important that you contribute at least 3% of your eligible salary to the 457(b) plan to obtain the maximum contribution from the University; however, if you do not wish to have the 3% contribution deducted from your pay, review your options under "Timing of First 457(b) Deferral Contribution".

Timing of First 457(b) Deferral Contribution: Before your automatic Elective Deferral election becomes effective under the 457(b) Plan, you will receive an automatic enrollment notice and will have a reasonable opportunity (**within your first 30 days of eligibility**) to make a contrary Elective Deferral election or opt out of making Elective Deferrals to the 457(b) plan. Regardless of whether an employee elects a contrary elective deferral or is defaulted to the 3%, the election becomes effective no sooner than the first of the month after the election is made.

You may also change your deferrals at any time during your employment by logging on to your Fidelity NetBenefits account at <https://nb.fidelity.com/public/nb/umretirement/home> or by contacting a Fidelity Customer Service Representative at 1-800-343-0860. Changes to 457(b) contribution rates are effective the first of the following month. However, if you change your contribution rate to 0, that will be effective as soon as administratively possible.

Eligible Salary: For the 457(b), eligible salary means all compensation paid to you for services rendered to the University. Please refer to the [Summary Plan Document](http://umurl.us/SPDVRP) (<http://umurl.us/SPDVRP>) for more detailed information.

Vesting: You are immediately 100% vested in your contributions to the 457(b) plan. The University's contributions to the ERIP (UM base contribution and matching contribution) vest following three years of creditable service. Please note that these years do not need to be consecutive, and vesting differs from the defined benefit portion of the plan. Learn more in the [Summary Plan Description](http://umurl.us/SPDERIP) (<http://umurl.us/SPDERIP>).

Choosing your investments: You select how to invest your and the University's contributions to the defined contribution portion of your plan. For more information about the investment choices available to you, log on to your account on the Fidelity NetBenefits website at <https://nb.fidelity.com/public/nb/umretirement/home> or contact a Fidelity Customer Service Representative at 1-800-343-0860. For more information, visit the [Getting Started Guide](http://umurl.us/STARTERIP) (<http://umurl.us/STARTERIP>).