To: University of Rochester Faculty and Staff

Re: Important Information regarding your Benefits

Retirement Program Maximum Voluntary Contribution Limits Remain the Same for 2017
The University’s 403(b) Retirement Program can help you meet your retirement goals by making it possible for you to save additional amounts on a tax-advantaged basis. All faculty and staff have the right to make Voluntary Contributions to the Retirement Program. Even small amounts of money invested regularly over your career can provide a significant financial resource at retirement.

Maximum annual Voluntary Contribution limits for calendar year 2017
• For those under age 50—$18,000
• For those age 50 or older by 12/31/17—$24,000

Enrolling or Making a Change: You may increase, decrease or begin making Voluntary Contributions online at TIAA.org/rochester or via telephone at 800-410-6497, Monday to Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET). You may change or stop the percentage or dollar amount that you elect any time during the year. You also may change your investment allocations as often as you wish. For information about the investment options under the plan, go to TIAA.org/rochester.

If you elected to have the maximum amount deducted that is permitted by law for your Voluntary Contributions to the University of Rochester 403(b) Retirement Program, your election will continue, unless you make a change.

Retirement-Eligible Compensation
Effective January 1, 2017, the University of Rochester Retirement Program is simplifying the definition of retirement-eligible compensation for faculty and PAS staff in salary grades 56 and above. The revised definition of retirement-eligible compensation is Base Salary, which means gross wages (as defined below). Base Salary shall not include any amount in excess of the limit imposed by Code section 401(a)(17) as of the start of each plan year.

As a result of this change, all forms of compensation, including extra compensation, will be retirement-eligible (besides the recognized exclusions as noted in the definition of gross wages).

Gross wages means the total remuneration reported in Box 1 of Form W-2 that is paid to a participant for personal services actually rendered, plus the participant’s pretax elective deferrals under the University’s 403(b) and cafeteria plans, but excluding wellness incentives, tuition assistance, taxable relocation assistance, sign-on bonuses, severance benefits and forms of extra remuneration not related to actual services.
Definition of Compensation for Health Care Plans, Employee Tuition Benefits, Group Life Insurance Plan, Short-Term Disability and Long-Term Disability

Effective January 1, 2017, as a result of the execution of the new School of Medicine and Dentistry Master Clinical Faculty Compensation Plan, the definition of compensation for certain benefits plans has been updated.

- **Health Care Plan salary banding, Employee Tuition Benefits salary banding, Life Insurance Plan, and Long-Term Disability calculation of premiums** – the definition of compensation will now be “For a salaried faculty or staff member, annual salary is 12 times the regular monthly salary or 24 times the regular semi-monthly salary. For faculty members under the School of Medicine and Dentistry Master Clinical Faculty Compensation Plan, annual salary means “Targeted Salary”.

- **Short-Term Disability Plan and Long-Term Disability benefits** – “For faculty members under the School of Medicine and Dentistry Master Clinical Faculty Compensation Plan, annual salary means Targeted Salary plus the prior fiscal year’s (July 1 to June 30) extra compensation for clinical services, if any”.

If you have any questions, you may contact the Benefits Office at 585-275-2084.

Sincerely,

Michele R. Hill
Director, University Benefits

This summary of material modifications (the “SMM”) describes certain changes to the above University of Rochester retirement and welfare benefit plans. It supplements or modifies the information set forth in the plans’ summary plan descriptions (“SPDs”) that were previously distributed to you. Please keep this SMM with your copy of the SPD(s) for future reference.