

RECENT AMENDMENTS TO THE UNIVERSITY OF COLORADO 403(b) PLAN

Plan Loans and Special Catch-up Contributions

A. Effective July 1, 2015

Regarding Plan Loans:

(1) New Plan loans may only be requested from TIAA-CREF (**formerly: loans were also available from VALIC or MetLife**);

(2) The amount of total loans outstanding cannot exceed the lesser of (i) \$50,000, or (ii) the greater of 45% (**formerly: 50%**) of a participant's account balance and \$10,000, but in no case can the loan be greater than 100% of the account balance;

(3) The loan must be secured by the pledge of 45% (**formerly: 50%**) of the participant's account balance.

(4) A participant may only have two loans outstanding at any time (**formerly: unlimited**); note that any loans issued prior to July 1, 2015 are not subject to the two loan limit (but a participant cannot take a new loan out until he/she only has one or no outstanding loan).

Rationale for change: Changes related to limiting loans to 45% of balance are due to TIAA's insurance company compliance requirements. Change to only two outstanding loans is to prevent use of the plan loan provisions as an ATM machine by our employees and for ease of administration.

B. Effective January 1, 2016

Regarding Special Catch-up Contributions

The Special Code Section 403(b) "catch-up" contributions for those with 15 years of service with the University (i.e., the \$3,000 per year catch up) are **no longer allowed** under the 403(b) Plan. Note that age 50 catch-up contributions remain available.

Rationale for change: Administration of this infrequently used provision is problematic because of the numerous former vendors in the 403(b) Plan and the difficulty in sharing of information we would need from them to effectively calculate eligibility for the catch-up.