CU's 401(a) Retirement Plan [1]

The CU 401(a) Plan is a defined contribution plan.

- Contribute from each paycheck.
- You have your own account, in your name.
- You get a choice on how to invest.
- The value of your investments increases or decreases as the market changes.
- At retirement, you may take distributions from your account.

Participation

Participation is mandatory for:

- eligible faculty; and
- eligible university staff.

If you meet this criteria, you will be enrolled automatically on the first of the month following your hire date. Your contributions to the Plan will be made via automatic payroll deduction.

Why?

- University philosophy is to do as much as it can to assure the financial well-being of its employees in retirement.

Contributions

- You contribute 5 percent of your gross pay.
- CU contributes an amount equal to 10 percent of your gross pay?or $2 for every $1 you do!
- You can view monthly and annual contributions in the employee portal at [my.cu.edu](http://my.cu.edu).
  - In the portal, select the CU Resources tab.
  - Click on "Pay Advice," available within the "My Info and Pay" horizontal menu bar, or within the "My Info" tile on the screen.

Contribution limits
• The annual 2018 limit is $55,000.
• Contributions aren't made on salary higher than $275,000*.
  ○ There is a grandfather clause for employees who participated in the Plan on or before July 1, 1996, and have had no break in service. (*The salary limit for those employees is $405,000.)
• If you are a new CU employee and participated in a 401(a) plan at your previous employer this year, the $55,000 contribution limit and $275,000 salary limit start over when joining CU's 401(a) Plan.

Plan Advantages

On average, pay low fees?and enjoy more transparency.

By doing business with a single service provider, CU is helping participants save on both participant-paid administrative fees as well as investment fund management fees. Because administrative and fund fees are currently bundled, the university can't compute the exact savings for participants. However, the new administrative fee is a very low 7 basis points (0.07% of your balance) for the services being provided.

The investments in the new lineup also have low and clearly stated expense ratios, which reflect CU's institutional buying power. If you are a participant in the 401(a) Plan with a $100,000 balance, your average total fees in the new lineup will be $300, compared to $470 with the current one—a savings of 35%.

If you are a participant in the 403(b) Plan with a $100,000 balance, you stand to save 60 percent in fees, with an average of $360 in the new lineup, compared to $600 with the current one. These total fees include the fund investment management fee and the participant administrative fee.

What is the impact of fees on your retirement savings?

The chart below compares a $10,000 investment with the same investment return and two different expense ratios, illustrating the effect of fees on potential savings. As you can see, differences in expense ratios can translate into sizable differences in returns over time.

Example of expense ratios and impact on savings*

<table>
<thead>
<tr>
<th>Fund A</th>
<th>Fund B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount invested</td>
<td>$10,000</td>
</tr>
<tr>
<td>Rate of return</td>
<td>5%</td>
</tr>
<tr>
<td>Expense ratio</td>
<td>0.20%</td>
</tr>
<tr>
<td>Amount after 10 years</td>
<td>$15,981</td>
</tr>
</tbody>
</table>

*This is a hypothetical example and is for illustrative purposes only. It is not intended to predict or project investment results/future values. The calculations assume no withdrawals during the period indicated and do not reflect any redemption fees. Total returns and the
Invest in a highly rated, diverse set of funds.

Domestic equities, international equities, fixed income and specialty funds are all represented on the core investment menu. From the 19 available funds on the 401(a) Plan menu (and 18 funds on the 403(b) Plan menu), you will be able to construct a well-diversified portfolio. See the Investment Choices section below for complete details. (Click on the Tier 2 accordion.)

Take more control through a self-directed brokerage option.

If you're a hands-on investor, you'll want to take a look at CU's new self-directed brokerage option. This feature allows you to seek and invest in funds outside the 401(a) Plan's core investment lineup. This is a great opportunity for experienced investors wishing to expand their portfolios.

It's important to note that neither CU nor TIAA assume responsibility for and do not monitor the performance of these funds, and additional fees may apply. Learn more by visiting the Your New Investment Choices section of this site. (Click on the Tier 3 accordion.)

Get one-on-one time with a financial consultant.

As the sole service provider for CU's retirement Plans, TIAA will have a substantial presence on each CU campus. Representatives will be available to meet with you to discuss your financial concerns and needs, help you understand how the transition impacted your assets or help you with your retirement planning. Note that these services are included in the administrative contracts CU has with TIAA.

You may consider rolling over retirement funds you may have from previous employers, or from IRAs, into the Plan(s). This way, you'll be able to take advantage of CU's lower fee structure, highly rated investment fund lineup, self-directed brokerage option and personalized financial assistance with a financial consultant. Contact TIAA to find out if your funds can be rolled into CU's Plans.

Special Tax Treatment

- You make contributions on gross income.
- It is still subject to FICA and FUTA.
- As your investments (hopefully) increase in value each year, you don't pay taxes on the gain.
- It allows for compounded growth.
- You are taxed on the money when you withdraw it in retirement.

Investment Choices

The CU 401(a) Plan has a three-tier investment structure, designed to help you invest based
on your preferred investing style. Some participants may be comfortable using a mixed investing strategy that combines target date funds, the core investment menu and/or personally selected funds within the self-directed brokerage option.

See which style suits you:

**Tier 1: Target Date Funds**

Target date funds are professionally managed mutual funds designed for investors who want a simple yet diversified approach to investing. You select the fund that's closest to your expected retirement date and the fund managers adjust the underlying investments from more aggressive to more conservative as your target retirement date approaches.

Here are the selected target date funds:

<table>
<thead>
<tr>
<th>Born Between These Years</th>
<th>Institutional Fund Name</th>
<th>Ticker</th>
<th>Expense Ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900 - 1942</td>
<td>Vanguard Target Retirement Income Inst.</td>
<td>VITRX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1943 - 1947</td>
<td>Vanguard Target Retirement 2010 Inst.</td>
<td>VIRTX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1948 - 1952</td>
<td>Vanguard Target Retirement 2015 Inst.</td>
<td>VITVX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1953 - 1957</td>
<td>Vanguard Target Retirement 2020 Inst.</td>
<td>VITWX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1958 - 1962</td>
<td>Vanguard Target Retirement 2025 Inst.</td>
<td>VRIVX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1963 - 1967</td>
<td>Vanguard Target Retirement 2030 Inst.</td>
<td>VTTWX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1968 - 1972</td>
<td>Vanguard Target Retirement 2035 Inst.</td>
<td>VITFX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1973 - 1977</td>
<td>Vanguard Target Retirement 2040 Inst.</td>
<td>VIRSX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1978 - 1982</td>
<td>Vanguard Target Retirement 2045 Inst.</td>
<td>VITLX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1983 - 1987</td>
<td>Vanguard Target Retirement 2050 Inst.</td>
<td>VTRLX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1988 - 1992</td>
<td>Vanguard Target Retirement 2055 Inst.</td>
<td>VIVLX</td>
<td>0.10%</td>
</tr>
<tr>
<td>1993 - 2099</td>
<td>Vanguard Target Retirement 2060 Inst.</td>
<td>VILVX</td>
<td>0.10%</td>
</tr>
</tbody>
</table>
Tier 2: Core Investment Menu

The core investment menu offers those who are comfortable with investing a tool for building and managing an investment mix. Some participants who prefer this more hands-on investing style also may be interested in purchasing certain funds outside the core investment menu by accessing the self-directed brokerage option (see Tier 3 below).

Participants can construct their own diversified portfolios by allocating their contributions across 18 investment options. Options include both actively managed funds and passively managed (index) funds, as well as a guaranteed income option.

You can call TIAA or schedule a financial consultation to learn about how to construct a portfolio from these investments.

Investment Menu

The 401(a) Plan menu features investment options from four broad investment categories:

- domestic equity
- international equity
- fixed income
- specialty equity
<table>
<thead>
<tr>
<th>Domestic Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cap Value</td>
</tr>
<tr>
<td>Mid Cap Value</td>
</tr>
<tr>
<td>Small Cap Value</td>
</tr>
<tr>
<td>Large Cap Core</td>
</tr>
<tr>
<td>Mid Cap Core</td>
</tr>
<tr>
<td>Small Cap Core</td>
</tr>
<tr>
<td>Large Cap Growth</td>
</tr>
<tr>
<td>Mid Cap Growth</td>
</tr>
<tr>
<td>Small Cap Growth</td>
</tr>
</tbody>
</table>

Fixed Income
The chart below shows the fund lineup for the 401(a) Plan.

**Investment Funds**

Having trouble viewing the chart below? Download a PDF of the tier 2 investment fund options.

<table>
<thead>
<tr>
<th>Investment Option</th>
<th>Investment Fund Name</th>
<th>Ticker</th>
<th>Expense ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cap Value</td>
<td>Dodge &amp; Cox Stock</td>
<td>DODGIX</td>
<td>0.52%</td>
</tr>
<tr>
<td>Large Cap Core</td>
<td>BlackRock Equity Index M CIT</td>
<td>n/a</td>
<td>0.0198%</td>
</tr>
<tr>
<td>Large Cap Growth</td>
<td>Harbor Capital Appreciation</td>
<td>HACAX</td>
<td>0.65%</td>
</tr>
<tr>
<td>Mid Cap Value</td>
<td>Vanguard Selected Value</td>
<td>VASVX</td>
<td>0.35%</td>
</tr>
<tr>
<td>Mid Cap Core</td>
<td>BlackRock Mid Capitalization Equity Index Fund M (CIT)</td>
<td>n/a</td>
<td>0.045%</td>
</tr>
<tr>
<td>Mid Cap Growth</td>
<td>Artisan Mid Cap</td>
<td>APHMX</td>
<td>0.95%</td>
</tr>
<tr>
<td>Small Cap Value</td>
<td>DFA Small Cap Value</td>
<td>DFSVX</td>
<td>0.52%</td>
</tr>
<tr>
<td>Small Cap Core</td>
<td>BlackRock Russell 2000 Index Fund M (CIT)</td>
<td>n/a</td>
<td>0.0594%</td>
</tr>
<tr>
<td>Small Cap Growth</td>
<td>Voya Small Cap Opportunities CIT</td>
<td>n/a</td>
<td>0.80%</td>
</tr>
<tr>
<td>International Value</td>
<td>Dodge &amp; Cox International</td>
<td>DODFX</td>
<td>0.64%</td>
</tr>
<tr>
<td>International Core</td>
<td>BlackRock MSCI ACWI ex-US IMI Index M (CIT)</td>
<td>n/a</td>
<td>0.1092%</td>
</tr>
<tr>
<td>International Growth</td>
<td>American Funds Europacific Growth</td>
<td>RERGX</td>
<td>0.49%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>Morgan Stanley Global Real Estate Fund</td>
<td>MRLAX</td>
<td>1.02%</td>
</tr>
<tr>
<td>Socially Responsible</td>
<td>TIAA-CREF Social Choice Equity Fund</td>
<td>TISCX</td>
<td>0.18%</td>
</tr>
<tr>
<td>Core Fixed Income (Passive)</td>
<td>BlackRock US Debt Index Fund M (CIT)</td>
<td>n/a</td>
<td>0.0427%</td>
</tr>
<tr>
<td>Core Fixed Income (Active)</td>
<td>Met West Total Return Bond Fund</td>
<td>MWTSX</td>
<td>0.39%</td>
</tr>
<tr>
<td>Money Market</td>
<td>Vanguard Prime Money Market VMRXX</td>
<td>VMRXX</td>
<td>0.10%</td>
</tr>
<tr>
<td>Stable Value</td>
<td>Wells Fargo Stable Value CIT</td>
<td>n/a</td>
<td>0.52%</td>
</tr>
<tr>
<td>Guaranteed Income</td>
<td>TIAA Traditional Retirement Choice</td>
<td>n/a</td>
<td>***</td>
</tr>
</tbody>
</table>

**Equity Wash Note:**
If you wish to transfer money out of the Wells Fargo Stable Value fund,
please note that you must invest in a non-competing fund for at least 90 days before you can invest in a competing fund option. Competing fund options in the university's lineup include the Vanguard Prime Money Market fund and the Tier 3 self-directed brokerage option. Amounts transferred from the Wells Fargo Stable Value to non-competing funds may not be subsequently transferred to other competing funds within the original 90-day period. For more information, call TIAA at 1-800-842-2252.

n/a?Collective investment trusts (CIT) and annuities (guaranteed income) are not publicly traded funds, so they do not have ticker symbols.

*?Expense ratios can and do change periodically based upon the administrative expenses of the fund sponsor. The expense ratios posted are accurate as of the date the investments were selected by the Plan trustee in January 2015.

***?Annuities (guaranteed income) are insurance contracts. Insurance-company-guaranteed interest contracts do not have transparent fees; they collect fees through the "spread." The spread is the difference between what the insurance company earns on the funds it has invested and the yield the investor receives from the fixed return investment. There is no comparable requirement for the disclosure of the spread for a contract offering a fixed return, so you will not see a fee disclosed on your account statements.

Tier 3: Self-Directed Brokerage Option

The University of Colorado  Self-Directed Brokerage through TIAA-CREF
Investors who select this option will be responsible for vetting and monitoring the funds they select; CU provides neither fiduciary oversight nor recommendations for these investment options.

The self-directed brokerage option is for experienced investors who prefer to take an active responsibility in managing their investments.

To access this option, participants must fill out an application with TIAA and sign a university waiver (online, as part of the application process). Please note that there may be additional expenses and fees associated with these investment options.

Use TIAA's step-by-step guide to set up your self-directed brokerage option account [7].

Your Brokerage Options

- Learn more about the self-directed brokerage option and how it works [8].

View the mutual funds

Download a list of the mutual funds available in the self-directed brokerage option. This spreadsheet contains tickers, fund family names, fund descriptions, Morningstar categories and any minimum purchase requirements. Please note: This listing was accurate as of May 1, 2015, and is subject to change.

Download the mutual fund menu[9]
**Equity Wash Note:**
If you wish to transfer money out of the Wells Fargo Stable Value fund, please note that you must invest in a non-competing fund for at least 90 days before you can invest in a competing fund option. Competing fund options in the university’s lineup include the Vanguard Prime Money Market fund and the Tier 3 self-directed brokerage option. Amounts transferred from the Wells Fargo Stable Value to non-competing funds may not be subsequently transferred to other competing funds within the original 90-day period. For more information, call TIAA at 1-800-842-2252.

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**Fees and Expenses**

The self-directed brokerage option does not have an annual maintenance fee.

*See a complete listing of fees on page 9 of TIAA’s self-directed brokerage option customer agreement*[^10].

**Mutual funds**

Each mutual fund will have its own expense ratio.

Some mutual funds will have $35 transaction fees, while others will have no transaction fees. Mutual fund transaction fees are waived for individual purchases of specified funds for participants who establish an automatic investment plan. There is a minimum $100 purchase.

Any mutual fund load fees are waived. Exchanges within the same fund family cost $8.

Short-term redemption fees apply on some funds if shares are sold in fewer than 90 days. This fee is $50.

Participants should review the thousands of mutual funds for no transaction fee funds available on the TIAA platform.

**Individual Securities and ETFs (available only in the 401(a) Plan)**

Online equity and ETF trades cost $14.95.

Other pricing varies. For more information, see page 9 of TIAA’s self-directed brokerage option customer agreement[^10].

In addition, institutional share classes may be available (subject to minimum initial purchase requirements). Please review the fund details carefully to assess short-term trading fees, load fees, expense ratios and performance histories. As noted above, CU provides no oversight on these investment options.

- **The 401(a) Plan self-directed brokerage option** allows participants to invest in mutual
funds, exchange-traded funds and individual securities.

**Plan Documents**

To review documents for this plan please [click here](#).

**Plan History**

- established in 1924
- amended/restated over time to remain in compliance with IRS rules (aka Internal Revenue Code provisions?)
- updated in July 2015 to offer participants a best-in-class menu of funds, managed by a single service provider (TIAA), and to save them an estimated $3 million a year in fees

**Plan FAQ**

**Why is it a 401(a) and not a 401(k)?**

These designations are specified by the IRS.

**401(k) plans** are for private sector employees.

- exception: Some governmental agencies have 401(k) plans that were grandfathered in from before May 1986.

**Internal Revenue Code Section 401(a)** applies to and controls:

- private and governmental money purchase plans.
- private sector profit-sharing plans.
- private sector 401(k) plans.

**Will I get Social Security?**

Participants of the 401(a) Plan also pay into Social Security.

- You pay in 6.2 percent of your gross pay.
- CU pays in an amount equal to 6.2 percent of your gross pay.

To be eligible for Social Security, a person must pay into the system for 40 quarters (10 years).

- can be non-sequential
- may be eligible for a spouse's Social Security benefits, even if you haven't personally paid in

**Can I contribute more than 5 percent?**
Not into CU’s 401(a) Plan

There are three other, voluntary retirement savings plans to choose from if you'd like to contribute more:

- CU’s 403(b): CU sponsors the Plan while TIAA is the Plan's service provider.
- PERA’s 401(k): The investment sponsor is Voya Financial.
- PERA’s 457: The investment sponsor is Voya Financial.

The 2018 contribution limit of $18,500.

- combined for 403(b) and 401(k)
- separate limit for 457
- $6,000 "catch up" for those age 50+
- New employees: These limits are for 2018, regardless of whether you contributed at a previous employer or solely at CU.

When can I withdraw my money?

Upon experiencing a "Distributable Event" such as:

- attainment of age 59½

  or

- separation from CU employment

Can I roll funds from a previous employer (or IRA) into the 401(a) Plan?

Yes. The 401(a) Plan accepts rollovers or transfers from another plan that is eligible for treatment as a rollover.

The 401(a) Plan will not accept rollover contributions that are comprised of after-tax contributions.

Can I take a loan against my 401(a) Plan account?

No. The 401(a) Plan does not allow for loans or hardship withdrawals.

What are my options for that money if I leave CU before retirement?

Upon leaving CU, you have the option to:

- keep your funds in the 401(a) Plan.
• have the funds rolled out of the 401(a) Plan to another eligible plan, IRA or Roth IRA.

What will happen to the money in my 401(a) Plan if something happens to me and I have not named a Plan beneficiary?

If you do not choose a beneficiary, one will be chosen on your behalf, based on the following succession line:

1. Surviving spouse
2. Surviving child(ren)
3. Surviving parent(s)
4. Personal representative of your estate

Groups audience:
Employee Services
Right Sidebar:
ES: 401(a) Resources

Source URL: https://www.cu.edu/employee-services/cus-401a-retirement-plan

Links:
[1] https://www.cu.edu/employee-services/cus-401a-retirement-plan
[2] https://my.cu.edu