



### 403(b) Final Regulations Information

If you missed one of the recent town hall meetings, here is a summary of the information provided on the retirement plan changes.

#### 1. Universal Availability

Impact to the Plan	What does this mean to you?
All <u>eligible</u> employees are permitted to make elective deferrals to the Plan. The Plan no longer excludes employees covered by a collective bargaining agreement, certain visiting professors, employees who make a one-time election to participate, and employees of a religious order who have taken a vow of poverty. There is no requirement that an employee participate in any other benefit or coverage arrangement offered by Vanderbilt University in order to make voluntary contributions to the Plan.	Nothing for you to do unless your job class has previously been excluded and you now wish to tax-defer your own dollars. For eligibility rules and information on how to contribute to the Plan, refer to the HR Web site.

#### 2. Salary Definition

Impact to the Plan	What does this mean to you?
Change in the definition of 'salary' upon which voluntary contributions are calculated. Mandatory contribution amounts are to be deducted from salary, and then voluntary percentages are calculated on that resulting amount.	As you make your annual review of retirement contributions, use the retirement calculator on the HR Web site to be sure you are maximizing your elective deferrals as fits your needs.

#### 3. Aggregation of Contributions

Impact to the Plan	What does this mean to you?
Vanderbilt, as the Plan sponsor, is required to collect contribution information from its participants who also participate in other qualified plans sponsored by an employer in which the participant has a controlling ownership interest [this includes 401(k), 401(a) and 403(b) plans, and simplified employee pensions (SEPs) and Keogh plans]. The contribution amount to that other plan must be combined with the Vanderbilt 403(b) Plan contributions to determine whether the 415(c) limit is met. The 415(c) annual limit is set by the Internal Revenue Code and is the total of employer and employee contributions. The 415(c) limit for 2009 is \$49,000.	If you have controlling interest in another business and contribute to that business' qualified plan, you must total the contributions in all plans to ensure you do not exceed your 415(c) limit and you must report the amount contributed to the other plan to Vanderbilt. If you do not report those contributions, the other qualified plan is at risk and your contributions to both plans will be taxed. Watch for more information on how to report those contributions.

#### 4. Loans

Impact to the Plan	What does this mean to you?
The Vanderbilt Benefits Office must administer and monitor all loans from the Plan.	Beginning in January 2009, if you want to take a loan from the Plan through TIAA-CREF or AIG Retirement, loan applications must be submitted to the Benefits Office.

#### 5. Hardship Withdrawals

Impact to the Plan	What does this mean to you?
Changes to hardship withdrawals include 1) conditions for a hardship and 2) elective deferrals (Basic and Supplemental contributions) will be stopped for a period of 6 months after a hardship withdrawal (and participants must take action to restart their elective deferrals).	If you want to apply for a hardship withdrawal to access your elective contributions, refer to the new hardship rules on the HR Web site.

#### 6. Safe Harbor

Impact to the Plan	What does this mean to you?
A provision known as "safe harbor" was eliminated. (That provision allowed extra protection for the Plan related to the Vanderbilt Medical Group 6.47 percent mandatory contribution.) Therefore that contribution percentage must pass tests that other contributions to the Plan must pass.	There is nothing you must do about the safe harbor change at this time. The Benefits Office will monitor the testing and notify you if needed.

To make a change to your retirement contribution percentage, submit a completed 2009 Retirement Plan Election Form (Salary Reduction Agreement) to the Benefits Office. Previous form versions cannot be accepted after November 30, 2008.

For more information, visit <http://hr.vanderbilt.edu/benefits>