If you are a worker who falls within a certain income range, you may be eligible for a program that allows you to save for retirement AND save on your taxes. This program is called the Saver’s Credit, or what is also known as the Retirement Savings Contributions Credit. This credit applies to eligible contributions that you make to your employer-sponsored retirement plan, such as the 403(b) plans offered at the universities.

To be eligible for this program, the following conditions must be met:

- You must be 18 years of age or older
- You cannot be claimed as a dependent on another person’s return
- Your adjusted gross income must fall within certain parameters of the program (see charts below)

The amount of the credit can vary, and is based on your adjusted gross income (which is reported on your Form 1040A or 1040). According to the IRS, “the amount of the credit is 50%, 20% or 10% of your IRA or retirement plan contributions up to $2,000.00 (or $4,000.00 if married filing jointly)”. Please see the charts below for further information.

### 2015 Saver’s Credit

<table>
<thead>
<tr>
<th>Credit Rate</th>
<th>Married Filing Jointly</th>
<th>Head of Household</th>
<th>All Other Filers*</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% of your contribution</td>
<td>AGI not more than $36,500</td>
<td>AGI not more than $27,375</td>
<td>AGI not more than $18,250</td>
</tr>
<tr>
<td>20% of your contribution</td>
<td>$36,501 - $39,500</td>
<td>$27,376 - $29,625</td>
<td>$18,251 - $19,750</td>
</tr>
<tr>
<td>10% of your contribution</td>
<td>$39,501 - $61,000</td>
<td>$29,626 - $45,750</td>
<td>$19,751 - $30,500</td>
</tr>
<tr>
<td>0% of your contribution</td>
<td>more than $61,000</td>
<td>more than $45,750</td>
<td>more than $30,500</td>
</tr>
</tbody>
</table>

### 2016 Saver’s Credit

<table>
<thead>
<tr>
<th>Credit Rate</th>
<th>Married Filing Jointly</th>
<th>Head of Household</th>
<th>All Other Filers*</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% of your contribution</td>
<td>AGI not more than $37,000</td>
<td>AGI not more than $27,750</td>
<td>AGI not more than $18,500</td>
</tr>
<tr>
<td>20% of your contribution</td>
<td>$37,001 - $40,000</td>
<td>$27,751 - $30,000</td>
<td>$18,501 - $20,000</td>
</tr>
<tr>
<td>10% of your contribution</td>
<td>$40,001 - $61,500</td>
<td>$30,001 - $46,125</td>
<td>$20,001 - $30,750</td>
</tr>
<tr>
<td>0% of your contribution</td>
<td>more than $61,500</td>
<td>more than $46,125</td>
<td>more than $30,750</td>
</tr>
</tbody>
</table>

**IMAGE SOURCES:** IRS.gov
Certain transactions are not eligible for this credit. For example, rollover contributions are not able to be counted towards this credit (a rollover contribution consists of money that was moved from another retirement plan or IRA). It is also important to keep in mind that any eligible contributions may be affected or reduced by any distributions that you received from an IRA or retirement plan.

Contributions to the following retirement plans or IRA plans are eligible for the Saver’s Credit:

- 403(b)
- Roth IRA
- Traditional IRA
- Simple IRA
- SARSEP
- Governmental 457(b)
- 401(k)
- 501(c)(18)
- Voluntary after-tax employee contributions to your qualified retirement and 403(b) plans

For additional details about this program, please contact your financial advisor, TDI investment provider, tax consultant or tax preparer. The IRS website is also an excellent resource for learning more about this program, and is accessible at www.irs.gov.


*All other filers consist of single, married filing separately, or qualifying widow(er).
1. **Who do the required minimum distribution rules apply to?**

They generally apply to anyone who is age 70½ or over in 2016. There is an exception if you’re still working.

2. **What if I’m age 70½ or over and still working?**

If you continue to work past age 70½, you can delay withdrawing funds from your current employer’s retirement plan (Oregon Public Universities Retirement Plans) until April 1 following the calendar year in which you retire. This applies to the Oregon Savings Growth Plan (OSGP) as well.

3. **What if I’m working and also have tax-deferred retirement accounts from previous employers?**

You must satisfy the minimum distribution rule for those accounts each year, beginning when you reach age 70½. You should verify your situation with your tax advisor.

4. **If I have an account with the Oregon Savings Growth Plan (OSGP) 457(b) plan, do I also need to take a Required Minimum Distribution from that plan?**

Yes, if you are no longer working for an Oregon Public University. You will receive a letter from OSGP in October if you are eligible for the distribution letting you know that you have to take a minimum distribution. If you do not respond, OSGP will automatically send you the required distribution amount. Federal taxation of 10% will be withheld unless you contact OSGP and opt for a different withholding amount.

5. **Do I have to satisfy the Required Minimum Distribution rules for my tax deferred Traditional IRAs?**

Yes, regardless of your employment status. You must take your first Required Minimum Distribution from your Traditional IRAs no later than April 1 of the year following the year you turn age 70½, (e.g., if you turn age 70½ in 2016, you must begin taking distributions by April 1, 2017).

6. **Do I have to satisfy the Required Minimum Distribution rules for my Roth IRAs?**

No. Minimum distribution rules don’t apply to Roth IRAs during the owner’s lifetime, but will apply to the beneficiary that inherits the Roth IRA. Required Minimum Distributions do, however, apply to your Roth 403(b) that is sponsored by your employer.
7. **What do I do if I think I need to take a withdrawal?**

You should contact your record keeper if you have never taken a minimum distribution and would like to begin; or you’re already withdrawing funds, but aren’t sure it’s enough to meet the IRS requirement.

8. **How do I set up withdrawals?**

If you need help setting up your minimum distribution withdrawals, you should contact your plan record keeper.

9. **Are Required Minimum Distributions eligible for rollover to another plan or IRA?**

No, they are not.

10. **When do I have to take a distribution?**

You generally have to start distributions when you turn age 70½ or retire, whichever is later:

- If you turn age 70½ or retire (and you’re already age 70½ or over) in 2016, you have two choices; you can take your first withdrawal (the amount required for 2016) in 2016. Or, you can wait and take it in 2017, as long as it is paid by April 1. However, if you wait until 2017 to take your first withdrawal, you’ll have to take two withdrawals in that year—one for the amount required for 2016 and one for 2017—which may increase your tax liability in 2017.

- If you turned age 70½ before 2016, you need to take your minimum distribution by December 31, 2016.

11. **How much do I need to withdraw from my accounts?**

Your Required Minimum Distribution for 2016 is based on two things: your age this year and your account balance at the end of last year. (Since your age and account balance change every year, your Required Minimum Distribution must be recalculated annually.) The amount is based upon your life expectancy factor as recalculated each year using the Uniform Life Table. If your spouse is named as your sole beneficiary, and is 10 years younger than you, a joint life expectancy calculation will be used. To find out the amount you’re required to take for 2016, you should call the customer service lines at your specific record keeper (TIAA, Fidelity or VALIC), and they should be able to assist you. Some plan websites also have online calculators to help you estimate your RMD.

*Note: Contact your tax advisor regarding the tax impact of any minimum distribution decision.*
12. I have a small account balance. What options do I have?
If your account balance is less than $5,000, you may be able to withdraw the entire amount; that way, you won’t have to worry about satisfying the minimum distribution requirement for that account in the future. Different rules apply to different accounts, so please contact your representative at your specific record keeper.

13. What if I don’t take the required amount?
If you don’t comply with the IRS rules, you could be subject to a 50% excise tax on the amount you should have taken, but did not.

14. Where can I get more information about minimum distributions?
Contact the record keeper for your account(s) (TIAA, Fidelity, or VALIC) and their customer service representatives will be able to provide you with more information. Additional information regarding minimum distributions is also available on their websites.

Required Minimum Distributions (RMDs) based on your employment status:

<table>
<thead>
<tr>
<th>Account</th>
<th>Still Working</th>
<th>RMD Required</th>
<th>When is the RMD required</th>
<th>After 70 1/2</th>
</tr>
</thead>
<tbody>
<tr>
<td>*OPURP 403(b) - Tax Deferred</td>
<td>Yes</td>
<td>No</td>
<td>After you retire</td>
<td></td>
</tr>
<tr>
<td>*OPURP 403(b) - Roth</td>
<td>Yes</td>
<td>No</td>
<td>After you retire</td>
<td></td>
</tr>
<tr>
<td>*OPURP Optional Retirement Account</td>
<td>Yes</td>
<td>No</td>
<td>After you retire</td>
<td></td>
</tr>
<tr>
<td>Oregon Savings Growth Plan</td>
<td>Yes</td>
<td>No</td>
<td>After you retire</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>Previous Employer’s Tax Deferred Retirement Accounts</td>
<td>Yes</td>
<td>Yes</td>
<td>April 1st following the year you turn age 70½</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>IRA</td>
<td>Yes</td>
<td>Yes</td>
<td>April 1st following the year you turn age 70½</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>Roth IRA</td>
<td>Yes</td>
<td>No</td>
<td>No distributions requirement during your lifetime</td>
<td></td>
</tr>
<tr>
<td>*OPURP 403(b) - Tax Deferred</td>
<td>No</td>
<td>Yes</td>
<td>April 1st following the year you turn age 70½ or retire</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>*OPURP 403(b) - Roth</td>
<td>No</td>
<td>Yes</td>
<td>April 1st following the year you turn age 70½ or retire</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>*OPURP Optional Retirement Account</td>
<td>No</td>
<td>Yes</td>
<td>April 1st following the year you turn age 70½ or retire</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>Oregon Savings Growth Plan (Pre-Tax and Roth)</td>
<td>No</td>
<td>Yes</td>
<td>April 1st following the year you turn age 70½ or retire</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>Previous Employer’s Tax Deferred Accounts</td>
<td>No</td>
<td>Yes</td>
<td>April 1st following the year you turn age 70½ or retire</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>IRA</td>
<td>No</td>
<td>Yes</td>
<td>April 1st following the year you turn age 70½ or retire</td>
<td>By December 31st of that year</td>
</tr>
<tr>
<td>Roth IRA</td>
<td>No</td>
<td>No</td>
<td>No distributions requirement</td>
<td>By December 31st of that year</td>
</tr>
</tbody>
</table>
If you are in the Tier 4 Optional Retirement Plan, and you are not contributing to the 403(b) plan to get your match, you are. Did you know that if you contribute 4% of your salary to the 403(b) plan, your employer will match that 4% and put it in your ORP account? That’s like getting a 100% return on your money; you’re not going to find that kind of return anywhere else!

To sign up for the 403(b) plan, just go to https://nb.fidelity.com/public/nb/opurp/home or http://www1.tiaa-cref.org/tcm/opurp; whichever vendor you chose for your ORP dollars. You can always choose a higher percentage than 4% to contribute, but you should at least contribute 4% and quit leaving all that free money behind! By contributing 4%, you will have 16% of your salary going towards a secure retirement!

If you decide to maximize your contributions, which means contributing $18,000 per year (an additional $6,000 if you are at least age 50), keep in mind that you should spread your contributions over 12 months. You want to make a contribution of at least 4% each month. Why? Because, again, you will be missing out on some of that free money. For highly compensated employees; while you may be tempted to maximize your 403(b) contributions and reach the maximum during the first few months, think twice about that as well. The match can only be calculated on a monthly basis through payroll, so by reaching your maximum early, or not contributing each month, you will miss out on any months wherein you didn’t have a contribution.

See examples below:

<table>
<thead>
<tr>
<th>Month</th>
<th>Monthly Salary</th>
<th>% of Salary</th>
<th>Amount Contributed</th>
<th>Match</th>
<th>Monthly Salary</th>
<th>% of Salary</th>
<th>Amount Contributed</th>
<th>Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>$4000</td>
<td>10%</td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td>20%</td>
<td>$800</td>
<td>$160</td>
</tr>
<tr>
<td>Feb</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td>20%</td>
<td>$800</td>
<td>$160</td>
</tr>
<tr>
<td>March</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td>20%</td>
<td>$800</td>
<td>$160</td>
</tr>
<tr>
<td>April</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td>20%</td>
<td>$800</td>
<td>$160</td>
</tr>
<tr>
<td>May</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td>20%</td>
<td>$800</td>
<td>$160</td>
</tr>
<tr>
<td>June</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td>20%</td>
<td>$800</td>
<td>$160</td>
</tr>
<tr>
<td>July</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td></td>
<td>$160</td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td></td>
<td>$160</td>
<td></td>
</tr>
<tr>
<td>Sept</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td></td>
<td>$160</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td></td>
<td>$160</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td></td>
<td>$160</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>$4000</td>
<td></td>
<td>$400</td>
<td>$160</td>
<td>$4000</td>
<td></td>
<td>$160</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$4800</td>
<td></td>
<td>$1920</td>
<td></td>
<td>Total $4800</td>
<td></td>
<td>$960</td>
<td></td>
</tr>
</tbody>
</table>
As you can see, if you contribute $4800 over 12 months, you would receive a match of $1920; if you contribute the same amount over 6 months, and stop contributing, you will only receive a match of $960. That is $960 less than what you could have had contributed on your behalf.

For a participant who wants to contribute the maximum limit:

<table>
<thead>
<tr>
<th>Month</th>
<th>Monthly Salary</th>
<th>% of salary</th>
<th>Amount Contributed</th>
<th>Match</th>
<th>Monthly Salary</th>
<th>% of salary</th>
<th>Amount Contributed</th>
<th>Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>$10,000</td>
<td>15%</td>
<td>$1500</td>
<td>$400</td>
<td>$10,000</td>
<td>40%</td>
<td>$4000</td>
<td>$400</td>
</tr>
<tr>
<td>Feb</td>
<td>$1500</td>
<td>30%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>30%</td>
<td>$3000</td>
<td>$400</td>
</tr>
<tr>
<td>Mar</td>
<td>$1500</td>
<td>30%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>30%</td>
<td>$3000</td>
<td>$400</td>
</tr>
<tr>
<td>Apr</td>
<td>$1500</td>
<td>30%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>30%</td>
<td>$3000</td>
<td>$400</td>
</tr>
<tr>
<td>May</td>
<td>$1500</td>
<td>30%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>29%</td>
<td>$2000</td>
<td>$400</td>
</tr>
<tr>
<td>June</td>
<td>$1500</td>
<td>29%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>29%</td>
<td>$2000</td>
<td>$400</td>
</tr>
<tr>
<td>July</td>
<td>$1500</td>
<td>29%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>29%</td>
<td>$2000</td>
<td>$400</td>
</tr>
<tr>
<td>Aug</td>
<td>$1500</td>
<td>29%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>29%</td>
<td>$2000</td>
<td>$400</td>
</tr>
<tr>
<td>Sept</td>
<td>$1500</td>
<td>29%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>29%</td>
<td>$2000</td>
<td>$400</td>
</tr>
<tr>
<td>Oct</td>
<td>$1500</td>
<td>29%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>29%</td>
<td>$2000</td>
<td>$400</td>
</tr>
<tr>
<td>Nov</td>
<td>$1500</td>
<td>29%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>29%</td>
<td>$2000</td>
<td>$400</td>
</tr>
<tr>
<td>Dec</td>
<td>$1500</td>
<td>29%</td>
<td>$400</td>
<td></td>
<td>$3000</td>
<td>29%</td>
<td>$2000</td>
<td>$400</td>
</tr>
<tr>
<td>Total</td>
<td>$18,000</td>
<td></td>
<td>$4800</td>
<td></td>
<td>$18,000</td>
<td></td>
<td>$2400</td>
<td></td>
</tr>
</tbody>
</table>

For this participant, if he contributes at a higher rate for the first six months of the year, he would meet the limit after making only six contributions, and therefore would leave behind a match of $2400.

To get the most benefit from the match, spread out the contributions equally over the 12 months each year. Even if you are not maxing out your contributions, be sure and make a contribution each month up to the 4% so you can get your match.

If you have questions about this, please call your Benefits Department.
The current loan policies at TIAA and VALIC allow one loan per year from both the ORP and TDI plans. This means that a participant may have more than one outstanding loan at a time. The average number of outstanding loans in our plans is three per person, but there are some participants with more than five outstanding loans. Fidelity does not offer loans from the ORP, but they also allow one loan per year in the TDI. Loans are paid back by participants directly to the vendor, rather than through payroll deduction. Unfortunately, some participants discontinue making payments and the loans are defaulted, thereby creating a tax liability and also leaving a big hole in their retirement funds.

Even when a participant pays back a loan in full, the money that is out in the loan is not invested in the market, and therefore could be missing out on investment earnings. Worse, the participant loses out on the power of compound interest while that money is out of the retirement account. And, another drawback is that loans are paid back with after-tax dollars and taxes will also have to be paid on that money when it is taken out of the plan. With this in mind, a decision was made by RPM, after getting input from the Retirement Plans Administration Committee, to change the loan policies as follows:

Beginning on September 1, 2016, participants in TIAA and VALIC will be eligible for a maximum of two active loans from the TDI and ORP plans. If an employee participants in both the TDI and ORP, that means they would be eligible for a total of four outstanding loans. If a participant has two loans from one plan, they would have to pay back one loan before being eligible for a new one. Participants in Fidelity’s plan are eligible for two loans from the TDI. The loans can be either general purpose or residential. General purpose loans must be paid back in five years and residential loans can be paid back over 10 or 15 years depending on which plan they are from.

And, any time a loan is defaulted, the participant will not be eligible for a new loan until that loan is paid in full. Those participants who have outstanding loans now will receive individual notifications from RPM regarding this change. Nothing will change regarding the loans you currently have out; you will continue to pay on them as you have been in the past.

Also, anyone with an outstanding TIAA loan will receive a letter from them in the near future regarding loan repayments. Beginning on May 25, 2016, all loan repayments will be invested back into the investment allocation TIAA has on file for you rather than being invested in the CREF Money Market Account.

If you have any questions, please call the Retirement Plans office at 541-346-8574.
TIAA-CREF Unveils New Name and New Rebranding Strategy

TIAA-CREF has recently chosen to shorten their name to TIAA. This change went into effect on February 22, 2016. Along with the name change, TIAA has been implementing rebranding efforts, as well as simplifying their materials for the average user. They feel that this change will create ease for the consumer, and provide clarity regarding financial education and decisions.

TIAA wanted to keep pace with the modern world, and also suggest that they are easier to do business with. According to a video on their website, Roger Ferguson, Jr., the President and CEO of TIAA, indicated that the name change was two-fold. One, the name change was about “...respecting and bringing history into the present”, and two, it was about “…shortening the name, modernizing it and making it more contemporary.”

With this name change, many of the basic services that their clients utilize will remain the same. However, they are enhancing their portfolio of tools to make the consumer’s experiences more engaging. According to their press release, clients on their website can expect to see “…faster access to information, and simple, direct language complemented by clear, illustrative images. Content and tools geared toward different life stages are front and center, so visitors are quickly redirected to the information they need the most and encouraged to learn more.” Their press release has also indicated that they are modifying the format of their statements, thereby making them easier to read and understand, so the participant can gauge where their retirement portfolios are falling in conjunction to their personal goals.

TIAA has indicated that they are utilizing technology changes to increase accessibility for their customers. They have done this by creating mobile apps, which allow the consumer to access materials without having to log in through a desktop computer or laptop.

Although TIAA-CREF is removing the “-CREF” from their name, consumers should not worry. CREF products are still available to their customers. The –CREF is just disappearing from their name, not from the lineup of products.

If you are interested in learning more about this name change, please review their press release at http://tiaa.new-media-release.com/branding/.

If you would like to review a list of FAQ’s regarding this name change, please review their FAQ page at http://tiaa.new-media-release.com/branding/downloads/TIAA_FAQ.pdf.
As part of the free retirement guidance provided by Fidelity Investments, I want to provide you with access to a series of webcasts that can help answer questions you may have.

**Fundamentals of Retirement income Planning** explains the importance of having a retirement income plan, and provides guidance on how to build one.

For those who may be developing an income plan without a partner, Fidelity offers **Fundamentals of Retirement Income Planning: On Your Own**.

**Make the Most of Social Security** covers an important benefit that for many will play a large role in their retirement income plan.

Each webcast is about 50 minutes long. Don’t feel you need to watch it all in one sitting. The ability to start and stop at your convenience and to share the important topic of retirement planning with friends and family is the goal.

I encourage you to connect with Fidelity should you have any questions on the webcasts or in general. Representatives are available for free one-on-one guidance by calling 866-715-5959 or by scheduling an appointment at [getguidance.fidelity.com](http://getguidance.fidelity.com).

Sincerely,

Your Fidelity Team

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If you have any questions you would like to submit to the Retirement Plans Management team for our next newsletter, please send them to our department email at [opurp@uoregon.edu](mailto:opurp@uoregon.edu).