



Getting a head start on your future

An overview of the Central Michigan University Retirement plan

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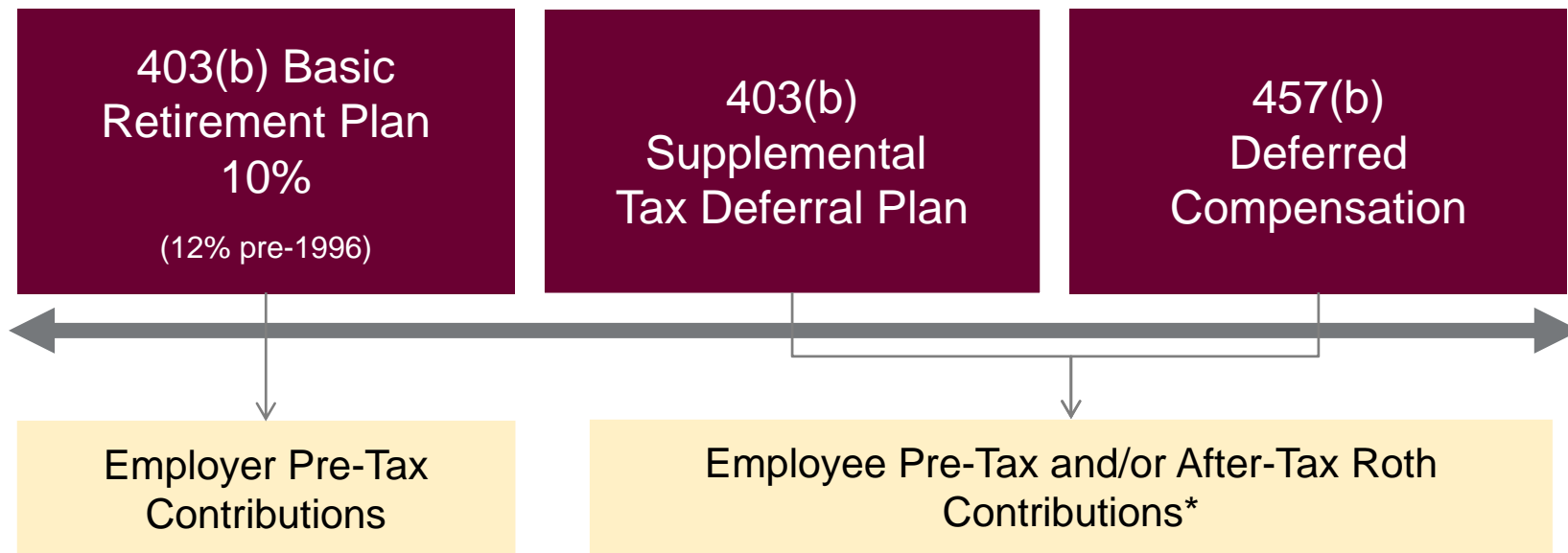
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Central Michigan University Retirement Plan Overview



TIAA.org/cmich



2022 IRS Contribution Limits:

\$20,500, \$27,000 age 50+

*After-tax Roth contributions are available on the 403b Supplemental Retirement Account (SRA) and 457b Deferred Compensation Plan. This allows you to contribute *after-tax* dollars to your CMU retirement savings plan, at the higher IRS contribution and income limits (vs a ROTH IRA) with the incentive that qualified distributions are tax-free.

Comparing 403(b) and 457(b)



	403(b)	457(b)
Annual contribution	\$20,500 (>50 \$27,000)	\$20,500 (>50 \$27,000)
Contribution type	Pre-tax and/or Roth	Pre-tax and/or Roth
Contribution coordination	Employee pretax and Roth contributions to 403(b) and 401(k) plans in the same year are limited in the aggregate to the IRS Section 402(g) limit.	Not subject to the IRS Section 402(g) limit.
Other catch-up limits	Employee may make both age 50 and 15-year catch-up contributions in the same year. Ordering rule applies excess contributions to 15-year catch-up first.	Employee may make the greater of the enhanced contribution limit or the age 50 catch-up (not both).
Total contribution limit (employer + employee)	Not applicable.	Lesser of 100% of taxable compensation or \$20,500 in 2022. Roth contributions must be included.
Withdrawals	Severance from service, age 59½, disability or death. Hardship (contributions only) may also be available.	Severance from service, age 70½ or death. Unforeseeable emergency, small sum withdrawal and loans also be available.
Early withdrawal penalty	Applies, generally 10% before age 59½.	Not applicable.

Your investment options offer choice and flexibility



Higher Risk



Lower Risk



You can get specific investment options by going to the *Retirement Benefits* section of [TIAA.org/cmich](https://www.tiaa.org/cmich).

Investing involves risk of loss of principal.

*Investment options offered in the "guaranteed" asset class are subject to the claims-paying ability of the issuing company.

The Roth contribution option in 403(b) and 457(b) plans



- Not a different plan, but a contribution option under the current 403(b) plan and/or 457(b) plan
- Contributions are made on an after-tax basis and do not reduce your current taxable income
- Earnings are tax free at withdrawal if qualifying conditions are met*
- You can make both pretax and Roth contributions, subject to IRS limits

*A withdrawal of Roth earnings is tax free, provided eligible participants meet the five-year seasoning period and attain age 59½ (or are disabled or deceased). Withdrawals prior to age 59½ may be subject to a 10% federal tax penalty, in addition to ordinary income.

Comparing after-tax Roth and pretax contributions



	Roth 403(b) after-tax contributions	Pretax contributions
Annual contribution	\$6,000	\$8,000
Current tax savings	\$0	\$2,000
Effect on annual income	(\$6,000)	(\$6,000)
Future account value	\$233,956	\$311,942
Future account value (after taxes paid) assuming 25% tax bracket before and after retirement	\$233,956	\$233,956
Future account value (after taxes paid) assuming 25% tax bracket while working and 30% tax bracket after retirement	\$233,956	\$218,359
Future account value (after taxes paid) assuming 25% tax bracket while working and 20% tax bracket after retirement	\$233,956	\$249,553

* This illustration is hypothetical and not intended to represent the performance of any specific investment product and cannot be used to predict or project investment performance. Charges and expenses that would be associated with an actual investment are not reflected. Chart assumes 6% rate of return and 25% current tax bracket.

Benefits of the Roth Option

- Provides additional flexibility in planning retirement income
- Protects against higher future ordinary income tax rates
- Unlike Roth IRAs, there are no maximum income limits for Roth 403(b) contributions

Get help with your plan

A one-on-one advice session can help you answer key questions

- Enroll in your plan to start building your future
- Am I saving enough?
- How should I invest?
- How can I address my retirement income needs?
- Get retirement plan advice from a TIAA financial consultant.

Help with your plan is available

One-on-one advice session



Scheduling options



You can call TIAA at
800-732-8353,
weekdays, 8 a.m.
to 8 p.m. (ET)



[TIAA.org/schedulenow](https://www.tiaa.org/schedulenow)

Questions?



The Retirement Advisor does not monitor your retirement assets or personal circumstances. The purpose of the retirement income tool is to show how the performance of the underlying investment accounts could affect the participant's policy cash value and the resulting retirement income. It is not intended to project or predict investment results. The advice may vary over time and with each use. There may be other investments not considered by the Retirement Advisor that have characteristics similar or superior to those being analyzed. The tool's advice is based on statistical projections of the likelihood that you will achieve your retirement goals. The projections rely on financial and economic assumptions of historical rates of return of various asset classes that may not reoccur in the future, volatility measure and other facts, as well as information you have provided.

IMPORTANT: The projections or other information generated by the Retirement Advisor tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.



The Retirement Plan Portfolio Manager program is a discretionary fee-based asset allocation advisory program provided by TIAA, FSB.

Morningstar Investments Management, LLC (Morningstar) is an unaffiliated investment advisor that provides TIAA with independent, third-party asset allocation models and specific investment recommendations for purposes of the Retirement Plan Portfolio Manager program. Program recommendations are generated by Morningstar as an independent investment authority, retained by TIAA to provide independent advice.

The Morningstar tool's advice is based on statistical projections of the likelihood that an individual will achieve their retirement goals. The projections rely on financial and economic assumptions of historical rates of return of various asset classes that may not reoccur in the future, volatility measures and other facts, as well as information the individual provides.

IMPORTANT: Projections and other information generated through the Morningstar tool regarding the likelihood of various investment outcomes are hypothetical, do not reflect actual investment results and are not a guarantee of future results. The projections are dependent in part on subjective assumptions, including the rate of inflation and the rate of return for different asset classes. These rates are difficult to accurately predict. Changes to the law, financial markets or individual personal circumstances can cause substantial deviation from the estimates. This could result in declines in an account's value over short or even extended periods of time.



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