



# The University of North Carolina System Retirement Program Enrollment Guide

Set your sights on the future





## What makes TIAA the right choice for you?

For decades, TIAA has been proud to join with the University of North Carolina System to help plan participants pursue their ideal retirement. Your long-term financial well-being is our priority, so we provide the University of North Carolina Optional Retirement Program (UNC ORP) support in offering plan participants in the ORP, 403(b) and 457(b) plans a wide range of investment choices, easy-to-use online tools and resources, investment advice and financial education.

### Low costs

According to *Morningstar* data, the expense ratios on mutual fund products and variable annuity accounts managed by TIAA are generally less than half the industry average.<sup>1</sup>

### A wide array of retirement investment options and services

As a retirement plan participant, you have access to investment options to help you build a retirement portfolio targeted to your goals and tolerance for risk. You also have access to in-depth, one-on-one investment advice from a financial consultant. In fact, you can schedule an appointment right on campus at your convenience. You can also get investment insight and education by logging in to your account at [TIAA.org/unc](https://www.tiaa.org/unc). You'll find helpful articles, podcasts, financial seminars, even online advice—available anytime.

### TIAA has high ratings

For its stability, claims-paying ability and overall financial strength, TIAA currently holds high ratings from the four leading insurance company rating agencies.<sup>2</sup>

### More than a century of helping produce retirement outcomes that matter

TIAA has approximately \$1.3 trillion in total assets under management (as June 30, 2023) and is the leading provider of retirement plan services in the academic, research, medical and cultural fields, serving more than 15,000 institutions nationwide.

<sup>1</sup> Source: *Morningstar Direct* (December 31, 2022) 62% of TIAA-CREF mutual fund products and variable annuity accounts have expense ratios that are in the bottom quartile (or 88.13% below median) of their respective Morningstar category. Our mutual fund and variable annuity products are subject to various fees and expenses, including but not limited to management, administrative and distribution fees; our variable annuity products have an additional mortality and expense risk charge.

<sup>2</sup> For its stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) is a member of one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: A.M. Best (A++ as of 7/23), Fitch (AAA as of 10/23) and Standard & Poor's (AA+ as of 9/22), and the second highest possible rating from Moody's Investors Service (Aa1 as of 7/23). There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company's ability to meet policyholders' obligations and do not apply to variable annuities or any other product or service not fully backed by TIAA's claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts, which will fluctuate in value.

### Important reminders:

If you are enrolling in the UNC ORP, you are required to log in to the **Empyrean** system to elect the ORP.

If you are enrolling in one of the supplemental plans, you will need to complete the Salary Reduction or Salary Deferral Agreement.

These forms can be found at [TIAA.org/unc](https://www.tiaa.org/unc) or at [myapps.northcarolina.edu/hr/benefits-leave/retirement/](https://myapps.northcarolina.edu/hr/benefits-leave/retirement/). Submit completed forms to your Human Resources/Benefits Office.

# The University of North Carolina Optional Retirement Program

## The University of North Carolina Optional Retirement Program (UNC ORP)

### Here are the important details regarding this plan:

#### Eligibility

Permanent (non-temporary) employees working 30 or more hours per week are eligible for the ORP.

You have 30 days from your date of hire/appointment to make your retirement plan decision. Be sure to review your retirement plan information thoroughly so that you are comfortable with your choice. If you do not make an election, you automatically will be enrolled in the Teachers' and State Employees' Retirement System.

#### Contributions

Upon electing to participate in the ORP within 30 days from your date of hire, employee contributions are made on a pretax basis as provided under section 414(h) of the Internal Revenue Code. As a result, the university will deduct contributions from your pay before calculating federal or state income tax withholding.

#### Employer matching

Employee contributions are 6% of covered salary taken on a before-tax basis. Employer contributions are 6.84%.

#### Vesting

You are always 100% vested in your own contributions to the plan as well as their investment earnings. You are 100% vested in the university's contributions and their earnings after five years of participating in the ORP or other North Carolina state-qualified retirement plans. Contact your local campus Human Resources/Benefits representative for additional details.

### In addition, some special vesting rules apply:

1. You become 100% vested in the university's contributions and their earnings upon your death. This means that if you die before retirement while still actively employed with the university, your beneficiary is entitled to the full value of your retirement benefit, including university contributions and their earnings, even if you had fewer than five years of participation in the ORP.
2. If you leave employment with the university before completing five years of participation in the ORP, but within 12 months you continue participation in a "like retirement plan" that is the core retirement plan of another institution of higher education or healthcare, and the plan is underwritten by one of the two retirement vendors currently offered in the ORP, or has one or more investment options which is or was a part of the UNC ORP fund lineup, then the university may vest you in the value of the university's contributions and their earnings.

## The University of North Carolina supplemental retirement plans

Participating in the UNC ORP Qualified 401(a) Plan and receiving other benefits such as Social Security may help cover essential living expenses in retirement. However, depending on your goals, the resulting retirement income may not be enough. Consider taking advantage of your supplemental retirement plans.

## The University of North Carolina Section 403(b) Plan

You are eligible to participate in the 403(b) supplemental plan on your first day of employment. This plan accepts employee contributions; there is no employer match. This plan offers a Roth feature, so you may contribute on an after-tax basis and potentially enjoy tax-free withdrawals in retirement.\*

\*Withdrawal of Roth contribution earnings prior to age 59½, may be subject to a 10% penalty in addition to ordinary income tax. Withdrawals from Roth after age 59½, or in the case of death or disability, are tax free. Roth contribution must also be "seasoned." Seasoning means that the Roth contribution was made a minimum of five years prior to the withdrawal for the withdrawal to be tax free. The TIAA group of companies does not provide legal or tax advice. Please consult your legal or tax advisor.

## The University of North Carolina Section 457(b) Plan

All UNC employees, including UNC Health Care employees who pay FICA, are eligible to participate in the UNC System 457(b) Plan. This plan is offered through the university system. This plan accepts employee contributions; there is no employer match. Your contributions are made pretax and/or after-tax through a Roth account. Your earnings grow tax deferred until retirement. Your account is held in a trust by the University of North Carolina exclusively for participants and their beneficiaries.

## Getting started today

Now that you are eligible to participate in the retirement program, the most important steps to take are to log in to the **Empyrean** system to elect the ORP. If you are enrolling in one of the supplemental plans, you will need to complete the Salary Reduction or Salary Deferral Agreement. These forms can be found at **TIAA.org/unc** or at **myapps.northcarolina.edu/hr/benefits-leave/retirement/**. Submit completed forms to your Human Resources/Benefits Office. Now you are ready to register with TIAA, and select your investment options and set up your personal profile. TIAA makes it easy for you to enroll in the plan at **TIAA.org/unc**.

## What should your portfolio look like?

The UNC Retirement Program gives you more choice and flexibility in creating the kind of portfolio you want. What's more, because the plans' investment options encompass a wide range of objectives, you'll be able to adjust your allocations as your financial outlook changes. The retirement program offers you the following four distinct investment tiers:

### Tier 1: Target-date funds

These funds invest in an underlying portfolio targeted to a specific retirement year. You simply choose the Vanguard target-date fund closest to the year you plan to retire. The fund's investments are automatically rebalanced over time to take on a more conservative mix as you move closer to your anticipated retirement date or the fund's target date. You can reallocate your contributions or transfer balances to any of the other plan options at any time. As with all mutual funds, the principal value of a target-date fund isn't guaranteed. Also, please note that the target date represents an approximate date when investors may plan to begin withdrawing from the fund. However, there is no need to withdraw the funds at that target date.\*\*

### Tier 2: UNC risk-based models

For investors who wish to choose an investment strategy based upon their personal risk tolerance, UNC offers five risk-based models. These models were developed and managed by UNC using investment options from the core investment lineup.

- UNC Capital Preservation Model
- UNC Conservative Model
- UNC Moderate Model
- UNC Growth Model
- UNC Aggressive Growth Model

Each model represents a mix of investment options from the core investment lineup (see Tier 3). You should consider only those models which most closely match your risk tolerance. The underlying assets of your models will be rebalanced semiannually to ensure the overall investment mix remains consistent with its risk profile.

These risk-based models share the risks and target allocation associated with the types of securities held by each of the underlying funds in which they invest, including market risk, company risk, foreign investment risks, interest-rate risk, credit risk, illiquid security risk, prepayment risk and extension risk. For a detailed discussion of risk, consult the prospectuses of the individual investment options that comprise the model.

How can you determine if a model is right for you? Just fill out a simple questionnaire when you log in to your account at **TIAA.org/unc**. A model will be recommended based on your answers. You can select the recommended model or choose another that you believe is more appropriate. To see the underlying investments of the risk-based model portfolios, visit **TIAA.org/unc** and go to the *Investments options* tab.

The principal value in a model is not guaranteed. Once you select a model, 100% of your contributions will be allocated to that model and any balances you have in any other liquid UNC ORP and 403(b) Supplemental Plan investment options will be automatically reallocated to the model. Depending on the plan, you may have some balances in certain TIAA Traditional Annuity that will remain in those accounts. However, no new contributions will be added to those accounts as long as you are subscribed to a risk-based investment model.

**Important:** You may not select the self-directed brokerage account (the UNC System Tier 4 option shown below) and a risk-based model.

### Tier 3: Core investment lineup

You can build a customized portfolio using any mix of the plans' investment options. You'll find guaranteed accounts (backed by TIAA's claims-paying ability), variable annuity accounts and mutual funds.

**You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or go to TIAA.org/prospectuses for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.**

\*\*Target-date funds share the risks associated with the types of securities held by each of the underlying funds in which they invest. In addition to the fees and expenses associated with the funds, there is exposure to the fees and expenses associated with the underlying mutual funds.

#### Tier 4: Self-directed brokerage services

For experienced investors seeking maximum flexibility, the UNC Retirement Program offers a self-directed brokerage “window” that allows you to use your salary contributions to invest in a wide array of mutual funds. This brokerage option can help add diversification outside the core investment lineup.

To open an account or initiate a trade within the UNC Optional Retirement Program (ORP) brokerage window, call Brokerage Services at **800-842-2252**, weekdays, 8 a.m. to 10 p.m. (ET). Employee contributions are eligible to be invested through the brokerage window under the UNC ORP Plan.

You may follow the same process for the brokerage option in the UNC 403(b) Plan, and you also have the option of opening an account and completing trades online at your convenience. There is no restriction of money sources or contribution types for brokerage investments within the 403(b) plan.

#### Retirement plan investment advice\*\*\*

Financial consultants can help you with investment choices that are aligned with your unique savings goals, needs and risk tolerance. Our personalized advice takes into consideration all the investment retirement plan choices available to you from the core investment lineup. Our advice is provided in one-on-one sessions, in person or over the phone, to help ensure the highest level of service and immediate attention to your needs. TIAA Retirement Advisor, our online self-service advice tool, is available anytime for your convenience, by logging in to your personal accounts at **TIAA.org/unc**.

## It's easy to enroll

Just follow the steps below:

1. The most important steps to take are:
  - a. If you are enrolling in the UNC ORP, you are required to log in to the **Empyrean** system to elect the ORP. If you are enrolling in one of the supplemental plans, you will need to complete the Salary Reduction or Salary Deferral Agreement.
  - b. Submit the completed form(s) to your employer's Human Resources or Benefits department.
2. Go to **TIAA.org/unc**, select your campus/employer from the drop-down menu and click *Save & Continue*.
3. Click on the *Ready to Enroll* button, choose the plans and click *Next*.
4. Continue to online enrollment by selecting the *Begin Enrollment* button.
5. If you have a user ID and password, enter them and click *Log In*. Or, if you are a first-time user, click *Register Now* to create your own user identification name and password at the prompts.
6. Select the plan in which you'd like to enroll first.
7. Choose your investment option(s) and be sure they add up to 100% or your entire contribution each pay period:
  - a. Target-date funds
  - b. Risk-based models (the allocation must be 100% if selecting this option)
  - c. Core investment lineup
  - d. Self-directed brokerage services
8. Print a confirmation at the “Thank You” screen.
9. IMPORTANT: Be sure to name a beneficiary in the *My Profile* tab section. It is important to name your beneficiary—otherwise your beneficiary designation will default to your estate.

Upon receipt of the first contribution from your employer for your benefit, your account is active and we'll send you a Welcome Letter with important account information.

You may change how you allocate your future contributions, transfer existing funds and name your beneficiaries by logging in to your accounts online at **TIAA.org** or by calling **800-842-2888**.

\*\*\*Advice is obtained using an advice methodology from an independent third-party.



# It's easy to connect with your money anytime

## Get helpful information online

Be sure you have contacted your Human Resources/Benefits Office to complete and return the proper forms. Log in to **TIAA.org/unc** for useful information, including:

- Plan details
- Frequently asked questions
- Investment choices and performance information
- Glossary of investment terms
- How to set up your portfolio
- "Ready to Enroll" function
- Tools & Education

## Manage your account online

Once you receive your contract numbers, you can log in to your account at **TIAA.org** to:

- Explore the many ways we can serve your financial needs
- Schedule a one-on-one advice session
- Register for upcoming live webinars at **TIAA.org/webinars**
- Sign up for a financial education workshop where you work or in your area
- See and update your personal information
- Check account balances and confirm contributions
- Make transfers and allocation changes
- Elect to receive your statements and other communications via email

## Manage your account by phone

Just call **800-842-2888**, weekdays, 8 a.m. to 10 p.m. (ET) to:

- Get TIAA investment performance
- Check your account balances and confirm contributions
- Make transfers and allocation changes
- Create or change your password
- Request publications



### Meet with a financial consultant

Log in to **TIAA.org/schedulenow** to schedule an appointment in-person, online, by phone or contact the TIAA office nearest you for a one-on-one meeting with a financial consultant.

### We have several offices to serve you in North Carolina

TIAA Chapel Hill Office  
5425 Page Road  
Suite 220  
Durham, NC 27703

Toll-free: **866-904-7804**  
Direct: **919-401-7500**

TIAA Charlotte Office  
8500 Andrew Carnegie Boulevard  
Charlotte, NC 28262

Toll-free: **800-842-2888**  
Direct: **704-595-1000**

TIAA South Charlotte Office  
3440 Toringdon Way  
Suite 205  
Charlotte, NC 28277

Toll-free: **877-535-3910**

### Need help?

Schedule a consultation: **800-842-2888**, weekdays, 8 a.m. to 10 p.m. (ET). We're here to help you plan for your retirement goals in person or over the phone. You may also schedule online at your convenience at **TIAA.org/schedulenow**.

### Ready to enroll? Remember, you'll need:

1. Your investment choices and allocations
2. Your Social Security number
3. Your beneficiary's birth date and address (and Social Security number, if available)

If you have questions or would like to speak with a financial consultant for assistance, we're here to help: **800-842-2888**.



This material is for informational or educational purposes only and does not constitute fiduciary investment advice under ERISA, a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

**Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.**

**You should consider the investment objectives, principal strategies, principal risks, portfolio turnover rate, performance data, and fee and expense information of each underlying investment carefully before directing an investment based on the model. For a free copy of the program description and the prospectus or other offering documents for each of the underlying investments (containing this and other information), call TIAA at 877-518-9161 or log in to your account at [TIAA.org/unc](https://TIAA.org/unc). Please read the program description and the prospectuses or other offering documents for the underlying investments carefully before investing.**

The Model is an asset allocation recommendation developed by your Plan Sponsor in consultation with consultants and other investment advisors designated by the Plan Sponsor, whereby assets are allocated to underlying mutual funds and annuities that are permissible investments under the plan. Model-based accounts will be managed on the basis of the plan participant's personal financial situation and investment objectives.

Changes in your personal financial situation or investment objective may require a change in the model recommended for your model-based account. Please contact us at 800-842-2888, visit our website, or contact your Plan Sponsor if you need to update your financial situation or investment objective. As a participant in the Program, you may wish to request a reasonable restriction on the management of your model-based account. Please contact your Plan Sponsor to discuss your options for requesting a reasonable restriction or a modification to an existing restriction.

The Plan Fiduciary and the Plan Advisor may determine that an Underlying Investment(s) is appropriate for a Model Portfolio, but not appropriate as a stand-alone investment for a Participant who is not participating in the Program. In such case, Participants who elect to unsubscribe from the Program while holding an Underlying Investment(s) in their Model-Based Account that has been deemed inappropriate as a stand-alone investment option by the Plan Fiduciary and/or the Plan Advisor will be prohibited from allocating future contributions to that investment option(s).

No registration under the Investment Company Act, the Securities Act, or state securities laws—The Model is not a mutual fund or other type of security and will not be registered with the Securities and Exchange Commission as an investment company under the Investment Company Act of 1940, as amended, and no units or shares of the Model will be registered under the Securities Act of 1933, as amended, nor will they be registered with any state securities regulator. Accordingly, the Model is not subject to compliance with the requirements of such acts, nor may plan participants investing in underlying investments based on the Model avail themselves of the protections thereunder, except to the extent that one or more underlying investments or interests therein are registered under such acts.

No guarantee—Investments based on the Model are not deposits of, or obligations of, or guaranteed or endorsed by TIAA, the Investment Advisor, The University of North Carolina Retirement Plan or their affiliates, and are not insured by the Federal Deposit Insurance Corporation, or any other agency. An investment based on the Model is not guaranteed, and you may experience losses, including losses near, at, or after the target date. There is no guarantee that investments based on the Model will provide adequate income at and through your retirement. Investors should not allocate their retirement savings based on the Model unless they can readily bear the consequences of such loss.

The TIAA Custom Portfolio Program model-based service (the "Program") has been implemented by your Plan Sponsor to meet the unique retirement requirements of your plan. The Program is administered by Teachers Insurance and Annuity Association of America ("TIAA") as plan recordkeeper. Should you have any questions about the Program offering, please contact your Plan Sponsor directly.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products. If offered under your plan, TIAA and CREF annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY, respectively. Each is solely responsible for its own financial condition and contractual obligations. Transactions in the underlying investments invested in based on the Model on behalf of the plan participants are executed through TIAA-CREF Individual & Institutional Services, LLC, Member FINRA.

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