

UTSaver Deferred Compensation Plan

save in more ways than one

You are eligible to participate in the new UTSaver Deferred Compensation Plan (UTSaver DCP). This program provides you with a pretax investment vehicle to supplement your retirement savings. Go to www.utretirement.utsystem.edu or contact your benefits office for more information. Remember, the sooner you begin to save, the more time your money has to potentially grow.

Eligibility

All employees of the U.T. System are eligible to participate in the UTSaver DCP.

Contributions

You can contribute as little as \$20 per pay period or as much as 100% of your UTSaver DCP eligible compensation up to the maximum IRS limit. If you are age 50 or older, you may contribute an additional amount. Alternatively, if you are within the three years before the taxable year in which you attain normal retirement age, you may be able to contribute an additional amount. Eligibility for this special catch-up provision is dependent upon your unused elective deferrals for the years you were eligible to participate in a 457(b) plan and must be calculated by your benefits office.

	Regular Contribution Limit	Age 50+ Catch-Up*	Special Catch-Up*
2005	\$14,000	\$4,000	\$14,000^
2006	\$15,000	\$5,000	\$15,000^

**The two catch-up provisions offered cannot be used simultaneously.*

^This is the maximum amount allowed. Please see your benefits office for a calculation of the amount for which you may be eligible.

Your UTSaver TSA contributions do not affect the total amount you are able to defer under the UTSaver DCP. The UTSaver TSA is an additional supplemental 403(b) Retirement Savings Plan offered by the U.T. System.

Enrollment

To enroll, log on to UTRetirement Manager, at www.utretirement.utsystem.edu, and select “DCP Enroll/Make Changes.” You must choose one or more vendors from the list of currently authorized UTSaver DCP vendors and complete an application(s) with the vendor(s) of your choice. You are not considered enrolled and no contributions will be deducted from your paycheck until you have completed the vendor application(s).

Investment Options

You have a wide range of investment options, including mutual funds, variable annuities, fixed annuities, and self-directed brokerage accounts, available to you through the U.T. System’s eight currently authorized UTSaver DCP vendors. Visit www.utretirement.utsystem.edu for a complete listing of vendors and investment options.

Transfers/ Changes

You may transfer between investment options and vendors at any time. To change vendors, log on to UTRetirement Manager. To change investment options within the same vendor, contact your vendor directly.

Vesting

You are always 100% vested in your contributions and any earnings on those contributions.

Loans

Subject to approval by the U.T. System, loans are permitted for any amount between \$1,000 and the maximum loan allowed by law or one half of your account balance. Applications for loans must be submitted to the U.T. System. Your UTSaver DCP vendor may assess a loan fee.

Distributions Due to Unforeseeable Emergency

In certain limited situations, withdrawals may be available for an unforeseeable emergency. You may request all or part of the value of your account. Withdrawn amounts are subject to approval, and applications must be submitted to the U.T. System. Please see the UTSaver DCP Policy, found at www.utretirement.utsystem.edu, for information on applying for this type of distribution.

Voluntary In-Service Distributions

You may elect to receive a lump-sum in-service distribution of all or a part of your account if:

- your total account balance in the UTSaver DCP, including any rollover contribution amounts, does not exceed \$5,000;
- you have never before received a distribution of this type from the UTSaver DCP; **and**
- you have not made contributions to the UTSaver DCP during the preceding two-year period ending on the date of the in-service distribution.

Applications must be submitted to the U.T. System.

Distributions

Assets are eligible for distribution when you leave employment, at retirement, or, upon your death, to your designated beneficiary. Distributions must begin on or before April 1 of the calendar year following the later of the calendar year in which you reach age 70½ or the calendar year in which you retire.

The 10% early withdrawal penalty does not apply to withdrawals from the UTSaver DCP. You can separate from service at any age and withdraw monies without penalty. However, income taxes will be due upon withdrawal.

Your actual income from your retirement plan will vary based on salary, contributions, years of service, and other factors. Contact your Financial Advisor for additional information.

Distributions or withdrawals have tax consequences. You should contact your financial or tax advisor before initiating one.

This document provides information on the key features of the UTSaver DCP. In the event that the plan document differs from or provides further detail not included in any other document or agreements, the plan document will control. For more information, go to www.utretirement.utsystem.edu or contact your Benefits Office.