



# Lehigh University Retirement Plan

Important retirement plan updates



**LEHIGH**  
UNIVERSITY





## A new chapter for the retirement plan

### Key dates

#### Week of March 20, 2017

- You will be enrolled in new contracts within the plan and receive a confirmation kit with important information on making the most of your participation with TIAA.
- The new investment menu is available and future contributions will now be directed to the new investment options.

#### Week of April 5, 2017

Your mutual funds will be transferred from your legacy contracts to your new contracts.

Lehigh University is pleased to announce updates to the Lehigh University Retirement Plan.

### The highlights:

Lehigh University is taking this opportunity to update the investment options available through the plan. With the updated investment lineup, you continue to have the opportunity to create a diversified retirement portfolio to help meet your individual goals and preferences. A new investment option will be added to the plan while others will be discontinued or replaced.

- **New Retirement Choice and Retirement Choice Plus contract(s)** will replace the old contracts currently in place. Lehigh University has determined these changes could offer you more choice in managing your retirement accounts.
- **Changes to the investment menu** will take place in the Lehigh University Retirement Plan.
- One investment choice will be removed from the investment menu in the old contracts and replaced with a new option under the new Retirement Choice and Retirement Choice Plus contracts.
- Several investment choices will be closed or restricted and will no longer accept new money. Future contributions will be directed to replacement options.

Please review the entire guide to learn more about these changes.

# Your transition experience

## Lehigh University is introducing new TIAA Retirement Plan contracts

All participants with a balance in a Lehigh University retirement account will be automatically enrolled into new Retirement Choice (RC) and Retirement Choice Plus (RCP) contracts. Beginning the week of March 20, 2017, all future contributions will be deposited into the new contracts. **Mutual fund balances** will be transferred to the new TIAA accounts according to the transfer chart (see Figure 1. below) during the week of April 5, 2017. Annuity account balances will remain in the old contracts. (See Figure 5. on page 8). The annuity accounts in the old contracts will no longer be able to accept contributions, transfer or rollovers.

**Please Note:** If you'd like to transfer money from your annuity balances to your new contracts, there are differences between the old Retirement Annuity, Group Supplemental Retirement Annuity contracts, and the new Retirement Choice and Retirement Choice Plus contracts. Most of the differences apply to the TIAA Traditional Annuity and are highlighted as follows:

- The TIAA Traditional Annuity in the Retirement Choice and Retirement Choice Plus contracts has a guaranteed\* minimum interest rate of between 1% and 3%, which may be lower than the guaranteed rate in your existing contract. TIAA Traditional may receive a higher crediting rate in the new contracts.
- When TIAA Traditional assets are transferred out of an existing contract, you risk giving up a favorable crediting rate(s)\*\* on older contributions.
- TIAA Traditional can be liquidated within a shorter time frame under the Retirement Choice contract than under the existing Retirement Annuity contracts.
- Moving money from any option in an existing contract to a new contract is a permanent transfer. Money cannot be moved back into the old contract(s).

For details, see the contract comparison chart on the following page. If you have questions, call **800-842-2252**.

Lehigh University has instructed TIAA to enroll you in new contracts and send you a Retirement Choice and Retirement Choice Plus confirmation on or about the week of March 20, 2017. Once you receive your enrollment confirmation in the mail, you may begin to review your new contract(s) and make changes to your asset allocation should you wish. Visit [TIAA.org/lehigh](http://TIAA.org/lehigh) to log in to your account and select your investments from the new menu. New users will need to register for secure account access first.

If you are currently investing with TIAA, your new accounts will include the same beneficiary information on file for your current accounts. The chart below shows how your beneficiary information will be transferred if you are currently investing with TIAA. Please take this opportunity to review your beneficiary designations to make sure they are current.\*\* If you have a spousal waiver to identify someone else as the beneficiary in your legacy contracts, you will need to take positive action to continue that beneficiary designation under your new RC and RCP contracts.

**Figure 1.**

Existing contracts		New contracts
Lehigh University TIAA Retirement Annuity (RA)	▶	Lehigh University TIAA Retirement Choice Annuity (RC)
Lehigh University TIAA Group Supplemental Retirement Annuity (GSRA)	▶	Lehigh University TIAA Retirement Choice Plus Annuity (RCP)

\* Guarantees are subject to TIAA's claims-paying ability.

\*\* For married participants: Under many retirement plans, spouses are entitled to receive 50% of the participant's retirement plan assets. If you would like to direct less than 50% to your spouse, you and your spouse will need to complete a spousal waiver form for each affected contract. Please contact the plan for more information.

\*\*\* The TIAA Traditional Annuity offers the potential for greater growth through additional amounts, which may be declared on a year-by-year basis by the TIAA Board of Trustees. Such additional amounts, when declared, remain in effect for the "declaration year" which begins each March 1 for accumulating annuities and January 1 for payout annuities. Additional amounts are not guaranteed for periods other than the period for which they were declared.

# TIAA and CREF annuity contract comparison chart

Figure 2.

	Old contract	New contract	Old contract	New contract
Feature	Retirement Annuity (RA)	Retirement Choice (RC) Annuity	Group Supplemental Retirement Annuity (GSRA)	Retirement Choice Plus (RCP) Annuity
TIAA Traditional Annuity minimum guaranteed rate during the accumulation phase <sup>1</sup>	3.00% for all premiums remitted since 1979.	Between 1.00% and 3.00%: Rate redetermined annually on January 1. Applies to premiums deposited during the applicable calendar year and is guaranteed for 10 years.	3.00% for all premiums remitted since 1979.	Between 1.00% and 3.00%: Rate redetermined annually on March 1. Applies to all accumulations and premiums deposited during the period.
Potential for additional amounts of interest during the accumulation phase	Your balance in TIAA Traditional earns a total interest crediting rate, which comprises a minimum guaranteed rate described above and the potential for additional amounts of interest when declared by TIAA's Board of Trustees. The additional amounts, when declared, remain in effect through the "declaration year," which begins each March 1 for accumulating annuities and January 1 for payout annuities. Interest in excess of the guaranteed amount is not guaranteed for periods other than the period for which it is declared.			
TIAA Traditional Annuity guaranteed minimum payment amount <sup>1</sup>	Based on 2.50% interest and a fixed-mortality table.	Based on 2.00% interest and a mortality table that is updated each year.	Based on 2.50% interest and a fixed-mortality table.	Based on 2.00% interest and a mortality table that is updated each year.
Transfers and cash withdrawals from TIAA Traditional Annuity <sup>2</sup>	RA: Lump-sum withdrawals are not available from TIAA Traditional. All withdrawals and transfers from the account must be paid in ten annual installments.	Lump-sum withdrawals are available from TIAA Traditional only within 120 days after termination of employment and are subject to a 2.5% surrender charge. All other withdrawals and transfers from the account must be paid in 84 monthly installments (7 years).	Lump-sum withdrawals and transfers available from TIAA Traditional without restrictions or charges.	Lump-sum withdrawals and transfers are available from TIAA Traditional without surrender charges. For certain RCP contracts, 90-day equity wash applies if competing funds exist (e.g., money market, short-term bond, self-directed brokerage accounts or the TIAA Real Estate Account). Transfers from TIAA Traditional can only be made to non-competing funds. Amount must remain in non-competing funds for 90 days before transferring to competing funds. (TIAA Contract form IGRSP-02-ACC/TIAA Certificate form IGRSP-CERT3-ACC)

<sup>1</sup> All guarantees are subject to TIAA's claims-paying ability.

<sup>2</sup> Income and withdrawal options are subject to the terms of the employer plan. Withdrawals prior to age 59½ may be subject to a 10% federal tax penalty, in addition to ordinary income tax.

# TIAA and CREF annuity contract comparison chart (*continued*)

Figure 2. continued

	Old contract	New contract	Old contract	New contract
Feature	Retirement Annuity (RA)	Retirement Choice (RC) Annuity	Group Supplemental Retirement Annuity (GSRA)	Retirement Choice Plus (RCP) Annuity
Range of distribution options <sup>1</sup>	Lifetime income, fixed-period annuities, systematic and lump-sum cash withdrawals (except RA TIAA Traditional), interest-only and required minimum distribution payments.	Lifetime income, systematic and lump-sum cash withdrawals, interest-only and required minimum distribution payments.	Lifetime income, fixed-period annuities, systematic and lump-sum withdrawals, and required minimum distribution payments.	Lifetime income, systematic and lump-sum cash withdrawals, and required minimum distribution payments.
Fixed-period annuity payment options <sup>1</sup>	RA: Not available for TIAA Traditional. 2-30 years for TIAA and CREF variable annuities.	Not available	SRA: 2-30 years for all TIAA and CREF annuities. GSRA: 5-30 years for all TIAA and CREF annuities.	Not available
Retirement transition benefit <sup>1</sup>	Participants can take a cash distribution up to 10% of the amount being converted to lifetime income.	Participants can take a cash distribution up to 10% of the amount being converted to lifetime income.	Not applicable	Not applicable
Employer-initiated transfers of participant balances	Employers cannot transfer TIAA and CREF annuity assets to other investments.  Under the terms of a group custodial agreement, employers may transfer the plan assets invested in mutual funds.	Employers can transfer TIAA and CREF annuity assets to other investments, subject to contract provisions.  However, assets in TIAA Traditional can only be transferred in 60 monthly installments without any surrender charge.  Under the terms of a group custodial agreement, employers may transfer the plan assets invested in mutual funds.	Employers cannot transfer TIAA and CREF annuity assets to other investments.  Under the terms of a group custodial agreement, employers may transfer the plan assets invested in mutual funds.	Employers can transfer TIAA and CREF annuity assets to other investments, subject to contract provisions.  However, assets in TIAA Traditional can only be paid in 60 monthly installments without any surrender charge.  Under the terms of a group custodial agreement, employers may transfer the plan assets invested in mutual funds.

<sup>1</sup> Income and withdrawal options are subject to the terms of the employer plan. Withdrawals prior to age 59½ may be subject to a 10% federal tax penalty, in addition to ordinary income tax.

# Your updated menu

These choices may offer you the flexibility to create a retirement portfolio.

For investment details, visit **TIAA.org/lehigh**, click on *Investment Options* and then select *View All Investments*. To learn more about the new investment options, go to **TIAA.org/lehigh** and enter the ticker symbol in the site's search feature.

Figure 3.

GUARANTEED	TICKER SYMBOL
TIAA Traditional Annuity*	Guaranteed Annuity
MONEY MARKET	TICKER SYMBOL
Vanguard Federal Money Market Inv	VMFXX
FIXED INCOME (BONDS)	TICKER SYMBOL
Loomis Sayles Core Plus Bond Y	NERYX
Vanguard Total Bond Market Index I	VBPIX
Vanguard Inflation-Protected Secs Adm	VAIPX
MULTI-ASSET	TICKER SYMBOL
Vanguard Target Retirement Income Inv	VTINX
Vanguard Target Retirement 2010 Inv	VTENX
Vanguard Target Retirement 2015 Inv	VTXVX
Vanguard Target Retirement 2020 Inv	VTWNX
Vanguard Target Retirement 2025 Inv	VTTVX
Vanguard Target Retirement 2030 Inv	VTHRX
Vanguard Target Retirement 2035 Inv	VTTHX
Vanguard Target Retirement 2040 Inv	VFORX
Vanguard Target Retirement 2045 Inv	VTIVX
Vanguard Target Retirement 2050 Inv	VFIFX
Vanguard Target Retirement 2055 Inv	VFFVX
Vanguard Target Retirement 2060 Inv	VTTSX
REAL ESTATE	TICKER SYMBOL
TIAA Real Estate Account Variable Annuity	QREARX
EQUITIES (STOCKS)	TICKER SYMBOL
Vanguard Developed Markets Idx Instl	VTMNX
Vanguard Emerging Markets Stock Idx Adm	VEMAX
Vanguard Extended Market Idx I	VIEIX
Vanguard Institutional Index I	VINIX
Parnassus Core Equity Institutional	PRILX
Champlain Mid Cap Institutional	CIPIX
First Eagle Global I	SGIIX
MFS Instl International Equity	MIEIX
Morgan Stanley Inst Global Rel Est I	MRLAX
RBC Small Cap Core I	RCSIX

**All investment options have expenses and other fees that can be found in the prospectuses found at TIAA.org by entering the ticker symbol in the site's search feature. Some investment options may also have redemption and other fees.**

\* TIAA Traditional Annuity is a guaranteed insurance contract and not an investment for federal securities law purposes. Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

Annuity account options are available through annuity contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.



# Transfer chart for assets and future contributions

Beginning the week of March 20, 2017, you will see the new investment options available in your new contract. Any new contributions into the new contract(s) will be invested into the same investment choices you had chosen under the old contract except for three funds that have been closed or restricted. Closed or restricted investment options will be mapped as described below and on page 8.

There is also an investment option that will no longer be available in the plan. All current assets and future contributions will be directed into the new investment. This fund is called **"closed."** (See Figure 4. below)

Figure 4.

Closed option	Ticker symbol	New option	Ticker symbol
Ivy Core Equity I	ICIEX	▶ Vanguard Institutional Index I	VINIX

There are two investment options in the Lehigh University Retirement Plan that will remain in the plan, but will not be open to new investments. These funds are called **"restricted."** (See Figure 5. on page 8)



# Restricted options

After the week of March 20, 2017, some of the plan's current investment options will no longer be eligible to receive contributions, transfers or rollovers. Any new contributions will be directed to the new investment options shown in the chart below (see Figure 5.), unless you take action to direct new contributions to a different fund. However, as a "restricted option", your assets will remain in these investment options unless you transfer them out. Speak with a TIAA financial consultant before transferring assets from a restricted investment option since transferring funds back in to a restricted investment option will not be possible.

Figure 5.

Restricted options	Ticker symbol		New option	Ticker symbol
CREF Money Market R2	QCMMPX	▶	Vanguard Federal Money Market Inv	VMFXX
CREF Stock R2	QCSTPX	▶	First Eagle Global I	SGIIX

*Note: Any existing assets will stay in these annuity options unless you elect to transfer the assets into another investment option. Legacy contracts will receive contributions through March 17, 2017.*

# For more information

Lehigh University is committed to helping you understand the changes and make informed investment decisions for your needs. Here's how you can obtain additional information:



### Online

You can learn more about the plan's investment choices, access retirement planning tools, and perform most account transactions at **TIAA.org/lehigh**.



### Phone

If you have additional questions, call TIAA at **800-842-2252**, weekdays, 8 a.m. to 10 p.m. and Saturday, 8 a.m. to 6 p.m. ET.



### In person

To schedule an advice session with a TIAA financial consultant, call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. ET, or schedule online at **TIAA.org/schedulenow**.

## Seminars

Lehigh University will be holding on-campus transition seminars the week of February 27, 2017, as follows:

Date	Time
February 28, 2017	10:00 a.m.
February 28, 2017	2:00 p.m.
March 1, 2017	10:00 a.m.
March 1, 2017	2:00 p.m.

You will receive an email in the coming weeks so you may register and attend the session that is most convenient for you.

**Important Note:** If you have a foreign mailing address on file, there may be restrictions due to international securities laws on investing in the new options. If you have a legitimate U.S. mailing address in Puerto Rico, or an Army Post Office (APO), Diplomatic Post Office (DPO), or Fleet Post Office (FPO) box, the restrictions may not apply to you. Please call TIAA for more information at **800-842-2252**, weekdays, 8 a.m. to 8 p.m. or Saturday, 9 a.m. to 6 p.m. (ET).





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

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