



INDIANA UNIVERSITY

UNIVERSITY HUMAN RESOURCES

**PARTICIPANT RIGHTS &
RESPONSIBILITIES UPON
TRANSFER OR TERMINATION**

Medical Residents and Fellows

JANUARY 2016

Foreword

Indiana University provides a variety of benefit plans to its Medical Residents, including Group Life, Disability and Personal Accident Insurances; medical and dental coverage; and retirement plan options. This booklet describes participant rights and responsibilities associated with termination of coverage for each of these benefit plans.

Upon termination from the University or transfer to an ineligible employment class or position, active participation in group insurance and medical and dental care ceases; and participation status changes for retirement plans (i.e., no additional contributions or benefit accruals). However, participants in these plans have certain rights and privileges.

This booklet provides an overview of each benefit plan, the opportunities available after participation ceases, and contacts and follow-up actions that are required to take advantage of any residual value that these benefit plans may provide. Follow-up is the responsibility of each Medical Resident after coverage ceases. Some actions must take place within specific time frames, e.g. 30 days for conversion of insurance policies and 60 days for COBRA medical and dental plan continuation. Follow-up is the responsibility of each Medical Resident after coverage ceases.

Material in this booklet is for informational purposes only and is not intended to serve as a legal interpretation of benefits. Indiana University reserves the right to amend or terminate all or any part of its benefit program. The information in this booklet describes termination rights and responsibilities for plans as of January 1, 2016.

Benefit plan customer service contacts are listed in each plan description. Participants may also direct questions to the University Human Resources office. The University Human Resources Web site is an additional resource for customer service phone numbers.

hr.iu.edu

Section I. Insurance Plans

GROUP LIFE INSURANCE COVERAGES

Group Life Insurance Plans Summary

Basic Life Insurance. Indiana University provides Basic Life Insurance to eligible Medical Residents. The amount of coverage is \$20,000 for eligible Medical Residents under 65. The benefit is reduced for those ages 65 and older. Indiana University pays the cost of this coverage.

Basic Accidental Death & Dismemberment Insurance. The university provides Basic AD&D Insurance to eligible Medical Residents in an amount equal to the Medical Resident's Basic Life benefit. Accident Insurance Benefits will reduce the same as the Life Insurance Benefits.

Eligibility

Basic Life and Accidental Death & Dismemberment insurance is available to all full-time Medical Residents. The policy is underwritten by Cigna Life Insurance, Policy Number FLX-960485.

Discontinuation of Participation

Participation ends on the date that the Medical Resident:

- terminates from the university; or
- ceases to be a member of the eligible class for coverage; or
- ceases to make any required contributions.

Rights and Privileges After Participation Ends

All terminated Medical Residents who were covered by the Basic Life and AD&D Insurance have conversion privileges as explained below.

Conversion of Life Insurance

Medical Resident Conversion. When life insurance coverage ceases under this group policy due to one of the circumstances set forth below, coverage may be converted to an individual life insurance policy without providing proof of good health.

- *Medical Resident terminates or ceases to be in an eligible class for coverage:* the amount of individual life insurance purchased may not be more than the amount for which the Medical Resident was insured under this Group policy when coverage ceased.

The Medical Resident must make application for an individual policy and pay the first premium for that policy within 31 days after the date life insurance coverage ends under the IU-sponsored Basic Life and AD&D Insurance Policy.

The insurance underwriter makes every effort to provide a conversion offer upon discontinuation of IU-sponsored Basic Life and AD&D Insurance coverage; however, it is the Medical Resident's responsibility to convert the policy in a timely manner, whether or not a conversion offer is extended at the time of termination.

Customer Service

To obtain information on converting Basic Life and AD&D Insurance to an individual policy, contact Graduate Medical Education office at 317-274-8282.

Participant Responsibilities

Summary of actions the participant must take to convert to an individual policy:

- Return the conversion offer application to the address listed on the letter received from the policy underwriter. If a conversion offer is not received from the policy underwriter, contact Graduate Medical Education office at 317-274-8282. In either case, the form must be submitted to the policy underwriter within 31 days after the date on which group coverage terminates.
- Send the initial premium with the conversion form within 31 days after the date that group coverage terminates.
- Pay subsequent premium payments on time.
- Notify the policy underwriter of beneficiary changes.
- Notify the policy underwriter of address and name changes.

DISABILITY COVERAGE

Disability Plan Summary

Indiana University provides Disability Insurance coverage to Medical Residents. The coverage offers a monthly benefit if for those that meet the definition of disabled, based on type of disability and age. There is a 90-day waiting period to begin receiving benefits after becoming disabled.

Eligibility

Group disability coverage for Medical Residents of the IU School of Medicine is provided at no cost. This policy known as Med Plus Advantage was designed with the specific needs of Resident Physicians kept in mind. This is an AMA-sponsored group disability policy underwritten by Standard Insurance Company of Oregon.

Discontinuation of Participation

Participation ends on the date that the Medical Resident:

- terminates from the university; or
- ceases to be a member of the eligible class for coverage; or
- ceases to make any required contributions.

Rights and Privileges after Participation Ends

If coverage ceases, it will not affect benefits for a disability existing on or before that date.

Conversion of Disability Insurance

When Disability Insurance ceases under the group policy due to termination of employment with the university or transfer to an ineligible class, coverage may be converted to an individual policy without providing proof of good health. Conversion coverage is only available if the following conditions have been met:

- The Medical Resident must have been insured under the group policy for at least 12 continuous months. These months must directly precede the date the Medical Resident's insurance ceases.
- The Medical Resident is not disabled on the date Disability Insurance ends.
- The Medical Resident must apply for insurance under the conversion policy and pay the first premium within 60 days after group coverage ends.

Customer Service

To obtain information on converting Disability Insurance to an individual policy, contact Lee D. Moore at 317-558-1012.

Participant Responsibilities

Summary of actions the participant must take to convert to an individual policy:

- Return the conversion offer application to the address listed on the letter received from the policy underwriter. If a conversion offer is not received from the policy underwriter, contact Lee D. Moore at 317-558-1012. In either case, the form must be submitted to the policy underwriter within 31 days after the date on which group coverage terminates.
- Send the initial premium with the conversion form within 60 days after the date that group coverage terminates.
- Pay subsequent premium payments on time.
- Notify the policy underwriter of beneficiary changes.
- Notify the policy underwriter of address and name changes.

PERSONAL ACCIDENT INSURANCE COVERAGE

Personal Accident Insurance Plan Summary

Indiana University provides the opportunity for Medical Residents to purchase optional Personal Accident Insurance from \$30,000 to \$500,000 of coverage. The plan covers Medical Residents and their eligible dependents. Premiums are based on the level of coverage selected and are deducted from the Medical Resident's salary on a pre-tax basis.

Eligibility

All full-time Medical Residents may purchase Personal Accident Insurance for themselves and their eligible dependents. A dependent is a legal spouse, registered domestic partner, unmarried child under the age of 19 (or under age 25 if enrolled in school as a full-time student) and continues to be the Medical Resident's or Medical Resident's spouse's Federal income tax dependent. No one may be covered more than once under the plan. Those covered as a Medical Resident cannot also be covered as a spouse or dependent child. Coverage for disabled dependents may be kept in force beyond the age limit if proof of incapacity and dependence are provided within 31 days of the date when coverage would have ended due to the age limit.

Discontinuation of Participation

Participation in Personal Accident Insurance ends on the date that the Medical Resident:

- terminates from the university; or
- ceases to be a member of the eligible class for coverage; or
- ceases to make any required contributions.

A dependent's coverage terminates:

- when a dependent becomes eligible for Medical Resident coverage; or
- when an individual ceases to meet the definition of a dependent; or
- when the Medical Resident's coverage terminates; or
- when required contributions are not made.

Rights and Privileges after Participation Ends

The Medical Resident, and dependents in some cases, has the right to convert Personal Accident Insurance to an individual policy without showing proof of good health.

Conversion of Personal Accident Insurance

Medical Resident Conversion. When Personal Accident Insurance ceases under the group policy due to termination of employment with the university or transfer to an ineligible class, coverage may be converted to an individual policy without providing proof of good health. Conversion coverage is only available if the Medical Resident is under age 70.

Dependent Conversion. Dependents may also convert group coverage when they cease to be eligible for any reason except age. Dependents must apply for conversion within 31 days after their group coverage ends.

Customer Service

To obtain an application to convert Personal Accident Insurance to an individual policy, contact University Human Resources at 812-855-0218 or call CIGNA at 800-441-1832. Have the University Human Resources office complete the employer portion of the application form.

CIGNA can also assist with questions about:

- completing the forms for converting
- payment options
- term insurance options
- changing beneficiaries

Participant Responsibilities

Summary of actions the participant must take to convert to an individual policy:

- Obtain a conversion form from CIGNA or University Human Resources. Send the initial premium with the conversion form within 31 days after the date that group coverage terminates.
- Pay subsequent premium payments on time.
- Notify the policy underwriter of beneficiary changes.
- Notify the policy underwriter of address and name changes.

Section II. Medical and Dental Plans

Health Care Plan Summary

Indiana University sponsors a comprehensive medical care plan for eligible Medical Residents. Benefits under the plan include medical, prescription drug, mental health/substance abuse, and transplant coverage. The university also sponsors a dental plan.

Eligibility

All Medical Residents appointed full time and part time but not less than 50% are eligible to participate in IU-sponsored health care plans. Spouses/domestic partners and children who meet the definition of eligible dependents may also be covered by health plans.

Discontinuation of Participation

Participation in an IU-sponsored health care plan ends on the date the Medical Resident:

- terminates from the university; or
- ceases to be a member of the eligible class for coverage; or
- fails to make required contributions if prior to the date of termination.

A dependent's coverage will terminate on the date of the earliest of the following occurrences:

- the covered dependent ceases to meet the definition of dependent,
- the Medical Resident's coverage terminates,
- all dependent coverage is discontinued under the plan,
- the Medical Resident ceases to be in the eligible class,
- a dependent becomes eligible for IU Medical Resident coverage, or
- the Medical Resident fails to make required contributions if prior to the date of termination.

Rights and Privileges After Participation Ends

Under federal law, Medical Residents have the right to continue health care coverage under COBRA, and in the case of termination for reason of military service, under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

COBRA Continuation Coverage. Medical Residents and their covered dependents have the opportunity for a temporary extension of health coverage (called COBRA continuation coverage) at group rates in instances where coverage under the plan would otherwise end. The Medical Resident or dependent is responsible for the entire premium for COBRA coverage, plus a 2% administrative charge.

Medical Residents have a right to choose COBRA benefits when coverage is lost due to:

- a reduction in work hours, or
- termination of employment (other than for gross misconduct), including retirement.

Covered dependents also have a right, independent of the Medical Resident's right, to COBRA coverage. The covered dependent may elect COBRA even if the Medical Resident does not. A spouse or dependent child covered under a Medical Resident's IU-sponsored health care plan has the right to elect COBRA continuation if they lose coverage due to:

- the Medical Resident's death;
- the Medical Resident's termination (other than for gross misconduct) or reduction in work hours at IU;
- divorce or legal separation from the Medical Resident;
- the Medical Resident's entitlement to Medicare; or
- if a covered individual ceases to meet the definition of a dependent.

The university must depend on notice from the Medical Resident when certain events occur that would qualify the Medical Resident or dependent for COBRA. Under COBRA regulations, the Medical Resident or family member has the responsibility to inform Indiana University of these events, such as divorce. Notice must be given within 30 days of the later of the following dates: date of the event, or the date on which coverage would end under the plan because of the event.

When Indiana University determines that a Medical Resident or dependent has experienced an event that qualifies the enrollee for continuation coverage, IU provides a written notice of COBRA rights and an application for the Medical Resident and dependents. The Medical Resident and/or dependents have 60 days from:

- the date of the qualifying event; or
- the date of the COBRA offer letter, whichever is later.

The length of COBRA coverage is between 18 months and a maximum of 36 months depending on the circumstances:

- 18 months when coverage is lost due to termination or reduction in hours;
- 36 months when coverage is lost due to death, divorce, legal separation, or dependent losing eligibility due to age;
- 29 months if the enrollee becomes disabled within 60 days of termination.

If the Medical Resident does not elect COBRA within 60 days, the option to reinstate coverage under the IU-sponsored health plan ends and there is no coverage beyond the date that the active Medical Resident's coverage ended. If the enrollee elects COBRA, coverage may also end when:

- premiums are not paid on time;
- the enrollee becomes covered under another group health plan which does not limit coverage for an enrollee's pre-existing condition;
- the enrollee becomes entitled to Medicare;
- IU no longer provides group health coverage to any Medical Resident;
- the enrollee's COBRA coverage was extended due to disability, and there is a final determination that the enrollee is no longer disabled.

In considering whether to elect continuation coverage, take into account that a failure to continue group health coverage will affect future rights under federal law. Also, take into account that there are special enrollment rights under federal law. A Medical Resident has the right to request special enrollment in another group health plan for which s/he is otherwise eligible (such as a plan sponsored by a spouse's employer) within 30 days after group health coverage ends because of a qualifying event. A Medical Resident will also have the same special enrollment right at the end of continuation coverage if continuation coverage is maintained for the maximum time available.

COBRA benefits are provided subject to continued eligibility for coverage. Indiana University has the right to terminate COBRA coverage retroactive to the date on which eligibility ends.

USERRA Health Plan Protection

If a Medical Resident terminates employment in order to perform military service, the Medical Resident has the right under USERRA to elect to continue existing IU-sponsored health plan coverage including coverage for his or her dependents for up to 24 months while in the military. The university administers this coverage by extending the Medical Resident COBRA eligibility period to a total of 24 months. The Medical Resident is responsible for the entire premium plus a 2 percent administration fee.

Even if the Medical Resident doesn't elect to continue coverage during military service, he or she has the right to be reinstated in an IU-sponsored health plan upon reemployment, generally without any waiting periods or exclusions except for service-connected illnesses or injuries.

This is an overview of USERRA health plan coverage rights and actual coverage may vary depending on circumstances.

For additional information on USERRA health plan rights, contact VETS at 1-866-4-USA-DOL or visit their web site at <http://www.dol.gov/vets>. An interactive online USERRA Advisor can be viewed at <http://www.dol.gov/elaws/userra.htm>.

Customer Service

Questions about initiating COBRA coverage may be directed to:

COBRA Specialist

University Human Resources

1-812-855-7833

For health claim questions, call the respective health plan claim administrator:

Anthem.....800-345-2460

CIGNA Dental.....800-244-6224

Participant Responsibilities

Summary of actions that the participant must take:

- Notify the university within 30 days of a family status change, such as divorce.
- Notify the university if termination is for military service.
- Submit an application to elect COBRA within 60 days of:
 - the date coverage ended; or
 - the date of the COBRA offer letter, whichever is later.
- Pay initial COBRA premiums to-date within 45 days of electing COBRA.
- Pay monthly COBRA premiums on time.
- During COBRA coverage, notify the university of changes that will affect communications or eligibility, including:
 - address changes;
 - changes in marital status;
 - changes in disability status;
 - entitlement under Medicare; or
 - coverage under another group health plan.

Section IV. Tax Saver Benefit (TSB) Plan

Tax Saver Benefit Plan Summary

TSB is a program that allows reduction of the Medical Resident's salary to purchase certain benefits with pre-tax dollars. The plan is offered in three distinct parts:

- *Premium Conversion.* Medical Resident contributions for their IU-sponsored health care plan and Personal Accident Insurance are automatically taken from the Medical Resident's salary on a pre-tax basis.
- *Health (medical, dental, and vision) Expense Reimbursement Account.* A Medical Resident may elect to set aside pre-tax dollars in a reimbursement account to pay for IRS-qualified medical, dental, and vision expenses that are not covered by any type of insurance program.
- *Dependent Care Reimbursement Account.* A Medical Resident may elect to set aside pre-tax dollars in a reimbursement account to pay for child or elder care that allows the Medical Resident to work.

The plan is subject to IRS regulations. Mid-year changes in contributions are limited to those consistent with IRS-defined "changes in status," such as marriage, birth of a child, or change in dependent care provider rates.

Reimbursement accounts and claims for expense reimbursement accounts are administered by The Nyhart Company.

Eligibility

All full-time Academic (including Medical Residents) and Staff employees are eligible to participate in the Tax Saver Benefit Plan (TSB).

Discontinuation of Participation

Participation in the TSB ends on the date that the Medical Resident:

- terminates from the university; or
- ceases to be a member of the eligible class for coverage.

For Health Expense Reimbursement Accounts only, the Medical Resident may continue to participate under COBRA provisions, on an *after-tax* basis for the remainder of the calendar year.

Rights and Privileges After Participation Ends

Premium Conversion. There is no residual value to Premium Conversion after participation stops.

Health Expense Reimbursement Account. The Medical Resident is entitled to be reimbursed for qualified expenses incurred *after* the date that eligible employment terminates, only if the Medical Resident elects to continue participation in the plan by continuing to make contributions on an after-tax basis. Upon termination, Medical Residents with a remaining balance will receive a COBRA notice, election form, and instructions for this option from Nyhart.

Claims for expenses incurred during participation in the plan must be submitted by April 15th following the end of the calendar year in which the expenses were incurred. Any unclaimed portion of the account is forfeited.

Dependent Care Reimbursement Account. The Medical Resident is entitled to be reimbursed for dependent care expenses (up to the amount contributed prior to termination) incurred through the end of the calendar year. Claims for expenses incurred during the year must be submitted by April 15th following the end of calendar year. Any unclaimed portion of the account is forfeited.

Customer Service

Forms for filing claims for health or dependent care reimbursement can be obtained from the University Human Resources Web site (*hr.iu.edu*), or by calling Nyhart, the plan administrator. Claims can also be submitted online at *iutbs.nyhart.com*.

The Nyhart Company, Inc.

8415 Allison Pointe Boulevard, Suite 300

Indianapolis, IN 46250-4201

Phone: 800-284-8412

Fax: 888-887-9961

Participant Responsibilities

Summary of actions the participant must take:

Premium Conversion

- No action is needed. Premium contributions stop with the Medical Resident's last paycheck.

Health Expense Reimbursement Account

- To continue participation, submit the COBRA election form to Nyhart within 60 days of the date that coverage would have otherwise ended.
- Pay initial COBRA contributions to date to Nyhart within 45 days of electing COBRA.
- Pay monthly COBRA contributions to Nyhart on time.

Health Expense and Dependent Care Reimbursement Accounts

- Submit claims for eligible expenses to Nyhart by April 15th following the end of the calendar year. *Any unclaimed portions of reimbursement accounts are forfeited after that time.*
- Notify Nyhart of address changes.
- Notify Nyhart of a "change in status" within 30 days of the event.

Section VI. Retirement Plans

IU Tax Deferred Account (TDA Plan) Plan Summary

The IU Tax Deferred Account is a defined contribution plan established in accordance with Internal Revenue Code Section 403(b). A defined contribution plan is a plan which provides an individual account for each participant, and benefits are based solely on the value of the account.

The TDA Plan allows a Medical Resident to save money for retirement by contributing salary deferrals to the TDA Plan. A salary deferral is a pre-tax deduction from an eligible Medical Resident's compensation that is contributed to the TDA Plan. This means that the Medical Resident determines the amount of compensation, if any, that he or she wishes to defer to the TDA Plan. Salary deferrals made to the TDA Plan are immediately 100% vested and nonforfeitable.

The TDA Plan is a participant directed plan. This means that each Medical Resident is responsible for directing the investment of his or her TDA Plan account. A Medical Resident may only withdraw funds from his or her TDA Plan account upon attainment of age 59 1/2 or termination of employment with Indiana University.

Eligibility

To be eligible to participate in the TDA Plan, a Medical Resident must be:

- An Academic (including Medical Residents) or Staff employee appointed at 50% or more full-time equivalent (FTE); or
- An hourly employee who is expected to work at least 1000 hours of service or more in a 12-month period and is appointed as "Temporary with Retirement."

The following individuals are prohibited from participating in the TDA Plan:

- Students with non-FICA status;
- Non-resident aliens; and
- Interns.

Restricted Participation

A Medical Resident is no longer eligible to make salary deferrals to the TDA Plan if:

- The Medical Resident terminates employment with Indiana University; or
- The Medical Resident ceases to be a member of an eligible class of Medical Residents.

In the event an individual becomes ineligible to contribute to the TDA Plan, salary deferrals will stop being made to the TDA Plan with the Medical Resident's last regular paycheck or the last paycheck attributable to employment in an eligible class of Medical Residents.

Participants who are ineligible to contribute to the TDA Plan, including those who terminate employment with Indiana University, have the same rights as participants who are eligible to contribute to the TDA Plan, except that no additional salary deferral contributions can be made to the TDA Plan.

Rights and Privileges after Termination of Employment

A participant remains 100% vested in his or her TDA Plan account after termination of employment with Indiana University. A participant is not required to cash-out or transfer his or her TDA Plan account upon termination of employment. Upon termination of employment, a participant may:

- Leave accumulations in the TDA Plan account and continue to manage investments;
- Withdraw all or a portion of TDA Plan account accumulations (subject to income taxes and/or penalty taxes); or
- Roll over all or a portion of TDA Plan account accumulations to an eligible retirement plan (e.g., an individual retirement account (IRA)).

After terminating employment with Indiana University, most transactions related to a participant's TDA Plan account are handled directly by the participant with the applicable investment company.

Plan Distributions and Withdrawals

A participant may withdraw funds from his or her TDA Plan account upon:

- Attainment of age 59 ½ while employed at Indiana University; or
- Termination of employment with Indiana University.

TDA Plan distributions are generally subject to a 20 percent mandatory federal income tax withholding rate. This mandatory withholding will reduce the amount a participant actually receives upon withdrawing funds from the TDA Plan. However, the amount withheld will be credited against any taxes the participant owes for the year when the participant files his or her annual tax return.

There are exceptions to the mandatory federal income tax withholding rule, including receiving the TDA Plan distribution as an annuity payment or directly rolling over the TDA Plan distribution to an eligible retirement plan (e.g., an IRA).

In addition, TDA Plan distributions made prior to attainment of age 59 ½ are generally subject to a 10 percent early withdrawal penalty tax, even if the withdrawal was made after the participant terminated employment with Indiana University.

There are exceptions to the 10 percent early withdrawal penalty tax, including: receiving the TDA Plan distribution as a life-time annuity payment, receiving the TDA Plan distribution after terminating employment at age 55 or older, or receiving the TDA Plan distribution after terminating employment due to a permanent disability.

Finally, federal law requires that a participant begin to receive at least a partial distribution of his or her TDA Plan account on or before the "required beginning date." The required beginning date is April 1st of the calendar year following the calendar year in which the participant attains age 70 ½ or terminates employment with Indiana University, whichever is later. This rule is known as the minimum required distribution rule.

Customer Service

Indiana University has approved the following investment companies under the TDA Plan:

Fidelity Investments

82 Devonshire Street

Boston, MA 02109

1-800-343-0860

www.fidelity.com

TIAA-CREF

730 Third Avenue

New York, NY 10017

1-800-842-2776

www.tiaa-cref.org

Participant Responsibilities

Upon termination of employment with Indiana University, a TDA Plan participant must:

- Handle withdrawals and rollovers directly with the investment company.
- Continue to direct the investment of the TDA Plan account.
- Notify the investment company of any name and/or address change.
- Notify the investment company of any beneficiary change.
- Begin to receive minimum required distributions on or before the required beginning date.

IU Retirement Savings Plan Summary

The IU Retirement Savings Plan (457(b) Plan) is a defined contribution plan established in accordance with Internal Revenue Code Section 457(b). A defined contribution plan is a plan which provides an individual account for each participant, and benefits are based solely on the value of the account.

The 457(b) Plan allows a Medical Resident to save money for retirement by making salary deferrals to the plan. A salary deferral is a pre-tax deduction from an eligible Medical Resident's compensation that is contributed to the plan. This means that the Medical Resident determines the amount of compensation, if any, that he or she wishes to defer to the plan. Salary deferrals made to the plan are immediately 100% vested and nonforfeitable.

The 457(b) Plan is a participant directed plan. This means that each Medical Resident is responsible for directing the investment of his or her 457(b) Plan account. A Medical Resident may only withdraw funds from his or her 457(b) Plan account upon termination of employment with Indiana University.

Eligibility

To be eligible to participate in the 457(b) Plan, a Medical Resident must be:

- An Academic (including Medical Resident) or Staff employee appointed at 50% or more full-time equivalent (FTE); or
- An hourly employee who is expected to work at least 1000 hours of service or more in a 12-month period and is appointed as "Temporary with Retirement."

The following individuals are prohibited from participating in the 457 Plan:

- Students with non-FICA status;
- Non-resident aliens; and
- Interns.

Discontinuation of Active Participation

A Medical Resident is no longer eligible to make salary deferrals to the 457(b) Plan if:

- The Medical Resident terminates employment with Indiana University; or
- The Medical Resident ceases to be a member of an eligible class of Medical Residents.

In the event an individual becomes ineligible to contribute to the 457(b) Plan, salary deferrals will stop being made to the plan with the Medical Resident's last regular paycheck or the last paycheck attributable to employment in an eligible class of Medical Residents.

Participants who are ineligible to contribute to the 457(b) Plan, including those who terminate employment with Indiana University, have the same rights as participants who are eligible to contribute to the 457(b) Plan, except that no additional salary deferral contributions can be made to the plan.

Rights and Privileges after Termination of Employment

A participant remains 100% vested in his or her 457(b) Plan account after termination of employment with Indiana University. A participant is not required to cash-out or transfer his or her 457(b) Plan account upon termination of employment. Upon termination of employment, a participant may:

- Leave accumulations in the 457(b) Plan account and continue to manage the investments;
- Withdraw all or a portion of 457(b) Plan account accumulations (subject to income taxes); or
- Roll over all or a portion of 457(b) Plan account accumulations to an eligible retirement plan (e.g., an individual retirement account (IRA)).

After terminating employment with Indiana University, most transactions related to a participant's 457(b) Plan account are handled directly by the participant with the applicable investment company.

Plan Distributions and Withdrawals

A participant may withdraw funds from his or her 457(b) Plan account upon termination of employment with Indiana University.

457(b) Plan distributions are generally subject to a 20 percent mandatory federal income tax withholding rate. This mandatory withholding will reduce the amount a participant actually receives upon withdrawing funds from the plan. However, the amount withheld will be credited against any taxes the participant owes for the year when the participant files his or her annual tax return.

There are exceptions to the mandatory federal income tax withholding rule, including receiving the 457(b) Plan distribution as an annuity payment or directly rolling over the 457(b) Plan distribution to an eligible retirement plan (e.g., an IRA).

Finally, federal law requires that a participant begin to receive at least a partial distribution of his or her 457(b) Plan account on or before the “required beginning date.” The required beginning date is April 1st of the calendar year following the calendar year in which the participant attains age 70 1/2 or terminates employment with Indiana University, whichever is later. This rule is known as the minimum required distribution rule.

Customer Service

Indiana University has approved the following investment companies under the 457(b) Plan:

Fidelity Investments

82 Devonshire Street

Boston, MA 02109

1-800-343-0860

www.fidelity.com

TIAA-CREF

730 Third Avenue

New York, NY 10017

1-800-842-2776

www.tiaa-cref.org

Participant Responsibilities

Upon termination of employment with Indiana University, An IU Retirement Savings Plan participant must:

- Handle withdrawals and rollovers directly with the investment company.
- Continue to direct the investment of the 457(b) Plan account.
- Notify the investment company of any name and/or address change.
- Notify the investment company of any beneficiary change.
- Begin to receive minimum required distributions on or before the required beginning date.

For more information, please visit the
University Human Resources Web site at:

hr.iu.edu