



February 5, 2016

Dear Employee,

As an employee of the University of Massachusetts, you have valuable retirement investment options available to you, one of which — **the University of Massachusetts 403(b) Elective Deferral Savings Plan** — makes it easy to save and invest more for retirement with special tax advantages and the convenience of regular payroll deductions.

### **Save and Invest More for Retirement, Pay Less in Taxes**

Since your 403(b) contributions are deducted from your gross income before tax, your contributions allow you to reduce your federal and state income taxes. For example, a pretax contribution of \$10 per biweekly paycheck actually costs only \$8 out of your net pay (if your combined federal and state tax rate is 20%). Saving and investing even small amounts from each paycheck now, can make a big difference in the amount you could have to work with when you retire. The sooner you begin saving and investing, the sooner any earnings on your money will grow tax deferred.

For 2016, if you are under age 50, your 403(b) plan elective deferral limit is **\$18,000**. If you are age 50 or older, your 403(b) plan elective deferral limit is **\$24,000**. If you are already participating in the plan and would like to make a change to your biweekly contribution amount, please visit our website: [www.umassp.edu/hr](http://www.umassp.edu/hr) and click on “Benefits”, found within the Employee Center.

### **Plan Enhancements - Coming in Calendar Year 2016**

In early 2016, the University will be moving to a new recordkeeping model and plan design that will include a much smaller investment lineup, which will be carefully reviewed and monitored in terms of fees and performance. However, the new plan structure will also include a self-directed brokerage window, which will allow access to a larger selection of investment options that will not be under the direct oversight of the plan. These changes will impact all plan participants. Therefore, we view this as a great opportunity and encourage all employees to re-engage in your retirement planning and to take a fresh look at your savings rate and investment choices. As further described in the enclosed documents, the benefits of these new enhancements will include: a streamlined, efficient investment lineup comprised of high quality and competitively priced funds; enhanced participant services; reduced overall administrative/participant costs; significantly improved employee communication, education and assistance. For more detailed information concerning the plan changes that will be made in the coming months, please refer to the enclosed documents entitled, “**2016 – Upcoming Changes to the UMass Supplemental Retirement Program**” and “**Frequently Asked Questions**”.

Fidelity Retirement Planners will be on-site beginning the week of February 8 to deliver Plan Enhancement presentations that highlight the upcoming changes to the 403(b) Plan. They will also be available for scheduled one-on-one consultations at no additional cost to you. Due to the changes that will be made to the investment lineup as of April 1, 2016, we suggest planning your one-on-one conversations within the guidelines outlined on the following page.

Timeframe	One-on-One Meetings – Suggested Topics For Discussion
February	Overall retirement picture, deferral rate in the Plan, general investment strategies but not specific to the investment options in the Plan.
March	Overall retirement picture, deferral rate, asset allocation using the new investment lineup as outlined in the Plan Enhancements Guide that will be mailed to you. You will not be able to make elections for the new lineup or move your account balance to any of the new investment options until April 1.
April 1 to April 22	<b>Early Choice election window:</b> The new fund lineup is now available so you can make your future contribution elections using the new funds. Current Fidelity participants can also move existing balances into the new funds. Participants transferring from providers other than Fidelity can choose their investment mix for the transfer from their current account which will occur in early May.

A complete schedule of the available dates and times to attend a presentation or schedule a one-on-one consultation prior to April 1 is included in this packet. Fidelity will be adding additional dates for one-on-ones in April and May which will be communicated in the Plan Enhancements Guide mailing from Fidelity in mid-February.

To take advantage of the University's 403(b) Elective Deferral Savings Plan, and to stay up to date on the 2016 enhancements, please visit our website: [www.umassp.edu/hr](http://www.umassp.edu/hr) and click on the "Benefits and Payroll" link. You may also contact the University's System HR Office at 774-455-7150, or send an email to: [supplementalretirement@umassp.edu](mailto:supplementalretirement@umassp.edu).

Sincerely,



Christine M. Wilda  
Senior Vice President for Administration and Finance,  
and University Treasurer