

Retirement Plan Comparison

Eligible faculty and staff may be eligible to participate in either the Iowa Public Employees Retirement System (IPERS) or the University Sponsored Retirement Plan through Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA). Certain eligible employees will be able to elect between the two plans, this decision is irrevocable during active employment at the University. To see which plan(s) you are eligible for please visit <https://hrs.uni.edu/mybenefits>.

Here is a basic comparison of the two retirement plans.

Plan	TIAA (403(b)) https://hrs.uni.edu/mybenefits/tiaa		IPERS (Defined Benefit) https://hrs.uni.edu/mybenefits/ipers	
Plan Type	Defined Contribution Plan: Individually owned 403(b) retirement accounts issued by TIAA. Federal and State income tax on contributions are deferred until the benefits are received. Retirement income is contingent upon your individual investment returns.		Defined Benefit Plan: Federal and State income taxes on contributions are deferred until the benefits are received. Retirement income is contingent on a formula based on your years of service and salary earned.	
Guaranteed Benefit	No. Benefit fluctuates with market performance.		Yes. Monthly Benefit is guaranteed for life.	
Contribution Rate: First 5 Fiscal Years		Employee	University	
	First \$4,800 of Salary	3.33%	6.66%	Regular Class Members Employee University 6.29% 9.44%
	Salary after \$4,800	5%	10%	Regents Police Officers (Protection Occupations) 6.21% 9.31%
Contribution Rate: After 5 Fiscal Years	Gross salary	5%	10%	Same as above.
Who Manages the Investments?	The employee.		IPERS	
Vesting	Immediately vested. Both employee and University contributions are fully and immediately vested. This means that you own all contributions to your account, even if you leave the University before retirement.		<p>Regular Members: 7 years (28 quarters) of service with an IPERS covered employer, or age 65.</p> <p>Regents Police Officers (Protection Occupations): 4 years (16) quarters of service with an IPERS covered employer, or age 55.</p> <p>Employee contributions are fully vested. Upon vesting, you can receive a portion of the University contribution at a prorated amount based on your years of service and additional benefits. Visit www.ipers.org for more information.</p>	

Plan	TIAA (403(b)) https://hrs.uni.edu/mybenefits/tiaa	IPERS (Defined Benefit) https://hrs.uni.edu/mybenefits/ipers
Terminating before Retirement (Under age 55)	You own all contributions in your account and you can leave your money with TIAA as long as you'd like. You can receive withdrawals from your account or roll it into another qualified plan. If you withdraw funds before age 59 ½, they may be subject to an additional 10% early withdrawal penalty.	You can leave your money with IPERS until you can receive retirement benefits, receive a refund of your contribution or roll it into another qualified plan. If you are vested, you will receive a portion of the university contribution at a prorated amount based on years of service.
Retirement (Over age 55)	If you retire after reaching 55, the 10% tax penalty will not apply. There are multiple withdrawal options including annuities. For more details, see the TIAA website. Visit www.tiaa.org for more information	You will receive all of your contributions, plus a portion of the university contribution based on a formula that looks at years of service, age, and salary. There are multiple withdrawal options. Visit www.ipers.org for more information
Portability	Yes	Yes
Death Benefits	Yes	Yes
Disability Benefits	Yes, TIAA provides disability benefits depending on certain qualifications.	Yes, IPERS provides disability benefits depending on certain qualifications.
Annual Compensation Limit	\$373,333 (staff hired before January 1, 1996) \$290,000 (staff hired after January 1, 1996)	\$290,000

Glossary

Annual Compensation Limit: maximum salary that contributions will be deducted from. Any amount earned over this limit is not subject to contributions from the Employee or the University.

Defined Contribution Plan: Retirement income is contingent upon the amount of employee and University contributions and individual investment returns.

Defined Benefit Plan: Retirement monthly income is guaranteed based on a formula.

Fiscal Year: The Fiscal Year at UNI runs from July 1 through June 30.

Guaranteed Benefit: You are guaranteed to receive a set dollar amount each month as retirement income throughout your life.

Portability: Ability to take the retirement plan with you when you leave employment.

Vesting: Length of time you would need to be employed in order to receive all or a portion of the University's contribution.