



**University of  
Northern Iowa**

## **Employee Benefits Enrollment Guide**

Change from Temporary to Probationary or Term  
Professional & Scientific Staff, Institutional Officials,  
Academic Administrators, and Merit Supervisory Staff



**Human Resource Services**  
<http://www.uni.edu/hrs>

# Table of Contents

<b>Benefits at UNI .....</b>	<b>3</b>
Enrollment .....	3
Iowa Fair Information Practices Act-Required Statement .....	3
<b>Group Term Life Insurance .....</b>	<b>4</b>
Eligibility Requirements .....	4
Date Coverage Begins .....	4
Policy Benefits .....	4
Retiree Provisions .....	4
Enrollment .....	4
<b>Long-Term Disability Insurance .....</b>	<b>5</b>
Eligibility Requirements .....	5
Date Coverage Begins .....	5
Qualifying for Benefits .....	5
Policy Benefits .....	5
Termination of Benefits .....	6
Retirement Protection Plan .....	6
Enrollment .....	6
<b>Introduction to UNI Retirement Plans .....</b>	<b>7</b>
Enrollment .....	7
<b>Iowa Public Employees Retirement System (IPERS).....</b>	<b>8</b>
Eligibility Requirements .....	8
Effective Date .....	8
Contributions .....	8
Vesting.....	8
Enrollment .....	8
Retirement Income .....	8
Options Available Upon Termination of Employment Prior to Retirement .....	9
Retirement Age .....	9
<b>TIAA-CREF Retirement Annuity .....</b>	<b>10</b>
Eligibility Requirements .....	10
Effective Date .....	10
Contributions .....	10
Tax Sheltered Annuity .....	10
Vesting.....	10
Retirement Income .....	10
Options Available upon Termination of Employment .....	11
TIAA-CREF Investment Options .....	11
Investment Allocations .....	11
<b>Discretionary Supplemental Retirement Annuities .....</b>	<b>13</b>
Eligibility.....	13
Effective Date .....	13
Contributions .....	13
Taxation.....	13
Opening a SRA .....	13

# Benefits at UNI

The Human Resource Services Department congratulates you on your new probationary or term appointment. With the change from a temporary appointment to a probationary or term appointment, you are now enrolled in the Life Insurance and the Long-Term Disability Insurance programs. You also have the option of changing from IPERS to TIAA-CREF as your retirement plan.

The Office of Human Resource Services is located in 027 Gilchrist. The general telephone number is (319) 273-2422. The office is open during regular UNI business hours. Staff members are available to assist you and answer your benefit questions.

This booklet is designed to provide you with an overview of the benefit programs to assist you in making enrollment decisions. The booklet is not intended to be a policy statement. Policy booklets and/or certificates of coverage, which are your full policy statement, are included in this packet.

## ***Enrollment***

Enrollment in the Life Insurance and the Long-Term Disability Insurance is automatic. You need only complete the *UNI Life Insurance Beneficiary Designation Form* that is included in this packet.

**Enrollment in TIAA-CREF is not automatic. You must enroll within 30 days of the change in your employment at the University of Northern Iowa.** You are already enrolled in IPERS per State of Iowa law. If you do not elect to change from IPERS to TIAA-CREF within this 30-day period, you will remain in IPERS for the remainder of your employment at UNI and will never have another opportunity to enroll in TIAA-CREF. Your election to change to TIAA-CREF is also irrevocable and you can never return to IPERS.

The completed forms are to be returned within the initial 30-day period of eligibility to: Office of Human Resource Services, 027 Gilchrist, Cedar Falls, IA 50614-0034.

## ***Iowa Fair Information Practices Act-Required Statement***

The University of Northern Iowa requests information for the purpose of maintaining the required records for your various University benefits programs. No persons outside the University are routinely provided this information. If you fail to provide the required information, it may result in a delay in providing you with one or more of your benefit programs.

# Life Insurance

The Life Insurance program at the University of Northern Iowa is an automatic benefit. The University pays the full premium for this benefit. Eligible staff members must designate a beneficiary(s) who will receive the benefit in the event of the employee's death. Principal Insurance Company of Des Moines, Iowa is the insurer.

## ***Eligibility Requirements***

- Appointment of 1/2 time or more
- Appointed for 9 months or longer

## ***Date Coverage Begins***

Coverage is effective on the date a staff member meets the eligibility requirements.

## ***Policy Benefits***

This is term Life Insurance and thus does not provide for a cash surrender value. Benefits are:

- Death benefit of two and one half (2 ½) times your University budgeted salary rounded to the nearest \$1,000 up to a maximum benefit of \$250,000;
- Accidental death benefit of two and one half (2 ½) times your University budgeted salary rounded to the nearest \$1,000 up to a maximum benefit of \$250,000. This is in addition to the death benefit above;
- Accidental dismemberment benefit of between 1/2 and the full amount of Principal Sum (Accidental death benefits) depending on scope of the injury;
- Waiver of continued premium payments in the event of total disability;
- Staff members who continue active employment after age 65 will have benefits reduced by 35% on the July 1 coinciding with or following the 65th birthday.

## ***Retiree Provisions***

If you retire from the University at age 55 or older, with at least 10 years of continuous enrollment immediately prior to retirement, you may continue one-third of the insurance coverage (excluding AD&D) that was in force immediately prior to retirement. The coverage will be subject to a 35% reduction on the July 1 by 35% on the July 1 coinciding with or following your 65<sup>th</sup> birthday. On the July 1 coinciding with or following attainment of age 70 you will be covered with a benefit of \$2,000 without further premium payment.

## ***Enrollment***

Enrollment in the Group Term Life and AD&D insurance is automatic. You must designate primary beneficiary(s) and/or contingent beneficiary(s) on the *UNI Life Insurance Beneficiary Designation*. Primary beneficiary(s) will receive benefits first. Contingent beneficiary(s) will receive benefits only in the event that all primary beneficiary(s) predecease you.

You may change the beneficiary designation at any time. The beneficiary change forms are available in the Office of Human Resource Services, 027 Gilchrist.

# Long-Term Disability Insurance

Participation in the Long-Term Disability Insurance program is automatic for all eligible staff members. The University pays the full cost of the premium. Principal Insurance Company of Des Moines, Iowa is the insurer.

## **Eligibility Requirements**

- Appointment of 1/2 time or more
- Appointed for 9 months or longer

## **Date Coverage Begins**

Your coverage will automatically begin to phase-in on the first of the month following the date you complete one year of continuous active employment, provided you remain eligible during the year. The schedule of coverage is as follows:

1 year but less than 2 years	30% of budgeted salary*
2 years but less than 3 years	40% of budgeted salary*
3 years but less than 4 years	50% of budgeted salary*
4 years but less than 5 years	60% of budgeted salary*
5 years or more	70% of budgeted salary*

*\*Monthly compensation is 1/12 of annual budgeted salary. Annual budgeted salary does not include summer appointments.*

You may apply for supplemental coverage during the first year of employment and during the phase-in schedule by completing a *Statement of Health Questionnaire*. Principal Insurance Company must approve the application. Once the application is approved, you will be responsible for paying the full cost of the premium through payroll deduction. As the University paid coverage phases in, the employee paid supplemental coverage phases out.

## **Qualifying for Benefits**

To qualify for Long-Term Disability benefits:

- You must become disabled while insured under the group Long-Term Disability policy;
- Your disability must not be subject to any of the limitations listed in the policy booklet;
- Your disability must have caused you to miss a total of 90 consecutive workdays. You may, however, return to work a total of not more than 30 workdays during the waiting period without starting the 90-day waiting period again. Each hour worked during the waiting period will extend the waiting period by an hour;
- Your sick leave accumulation must be used completely.

## **Policy Benefits**

The amount of coverage is based on your budgeted monthly compensation. Benefits phase-in during the first five years of employment as described in the section titled "Date Coverage Begins." Maximum monthly benefit is \$5,833.

Benefit payments are coordinated with benefits paid to you or your dependents by Social Security and Workers' Compensation and by earned income. Benefit payments are not reduced by Permanent Partial Disability or Permanent Total Disability payments from Workers' Compensation.

Cost of living adjustments based upon the Consumer Price Index are applied to benefits each year on the July 1 following completion of one year of continuous disability.

### **Termination of Benefits**

Long-Term Disability payments cease on the earliest of:

- The date of your death;
- The date you are no longer disabled, or you fail to submit evidence of continuing disability;
- The June 30 following the date you attain age 65 if your disability begins before you are age 61 (not less than 60 months); or
- The earlier of five years or June 30 following the date you attain age 70 if your disability begins after age 61.

### **Retirement Protection Plan**

If you are enrolled in the TIAA/CREF Retirement Program and qualify for benefit payments under the Long-Term Disability policy, your mandatory contribution and the University of Northern Iowa's contribution to the TIAA/CREF Program will be continued by Principal Mutual Insurance Company during the period of your disability.

This coverage is also subject to a phase-in period. The schedule of coverage is as follows:

1 year but less than 2 years	20% of monthly TIAA-CREF contributions
2 years but less than 3 years	40% of monthly TIAA-CREF contributions
3 years but less than 4 years	60% of monthly TIAA-CREF contributions
4 years but less than 5 years	80% of monthly TIAA-CREF contributions
5 years or more	100% of monthly TIAA-CREF contributions

The Retirement Protection Plan phase-in schedule is **not** covered by the Supplemental Long-Term Disability plan.

Contributions will continue as long as you are receiving Long-Term Disability benefit payments- contributions will end when benefit payments end. Cost of living adjustments are also included in the Retirement Protection Plan benefit.

### **Enrollment**

There is no enrollment required for the Long-Term Disability unless you wish to apply for the Supplemental Long-Term Disability coverage. If you wish to submit an application for Supplemental Long-Term Disability, request a *Statement of Health Questionnaire* from the Office of Human Resource Services, 027 Gilchrist.

# Introduction to UNI Retirement Plans

University of Northern Iowa faculty and staff are employees of the State of Iowa. All state employees are required by law to participate in a retirement program. Exceptions to this requirement are foreign nationals in this country as exchange scholars, trainees, professors, teachers, research assistants, and specialists. Employees who are exempt from IPERS may elect participation only in TIAA-CREF if they are otherwise eligible but they are not required to be in any retirement program\*.

*\* If you are now eligible to enroll in TIAA-CREF but choose not to because you are not required to do so in your current foreign national status, that decision is irrevocable. A later change in your visa status, which would require participation in a retirement program, will place you into the IPERS program even though you were otherwise eligible to be in TIAA-CREF. You will not have the option at that time nor at any time during your employment at UNI to elect TIAA-CREF.*

Depending on your meeting the eligibility requirements, you may have a choice of two retirement plans. They are:

- Iowa Public Employees Retirement System (IPERS)
- Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF)

The election to participate in the optional retirement plan (TIAA-CREF) is available only during the first 30 days of your eligibility. You are eligible for TIAA-CREF when your budgeted salary is \$7,800 or more per year and you have an appointment of 1/2 time or more for 9 months or longer. Without an appropriate election, by default you will be irrevocably placed in IPERS during your entire employment with the University of Northern Iowa.

Employees who are not eligible for TIAA-CREF but are required by state law to participate in a retirement program will be placed in IPERS. When an employee becomes eligible for TIAA-CREF (see requirements above), they will have a 30-day period in which to make an election to enroll in TIAA-CREF. If no election is made during the 30-day period, they will remain in IPERS during the remainder of their employment at the University of Northern Iowa.

## **Enrollment**

To enroll in a Retirement Plan you will need to complete:

### **Retirement Plan Election Form:**

Please elect a plan, indicate the effective date, sign and date. This form is extremely important. Please be sure you read and understand the entire form. The election you make on this form cannot be changed at any time during your employment at the University of Northern Iowa.

AND

### **IPERS Membership Information and Beneficiary Designation:**

Your employer is the University of Northern Iowa. Unless you were enrolled in IPERS at a previous job and did not “cash out”, you will be a new member. Complete the entire form and indicate your beneficiary election. Please sign and date the form. If you are married, your spouse must also sign and date this form and his/her signature must be witnessed by someone who is not a beneficiary.

OR

### **TIAA-CREF Application Form:**

Complete all sections of the form, date and sign. You must allocate your monthly contribution between the various accounts. You may also set up your account online at [www.tiaa-cref.org/uni](http://www.tiaa-cref.org/uni).

# Iowa Public Employees Retirement System (IPERS)

Participation in the IPERS system is mandatory for most University employees. University employees who do not elect TIAA-CREF will automatically be enrolled in IPERS. Foreign nationals in this country as exchange scholars, trainees, professors, teachers, research assistants and specialists are exempt from this requirement (see the Introduction to UNI Retirement Plan section on pg. 7).

The rules that govern the operation of IPERS are controlled by the Iowa Legislature. These rules change from time to time; therefore it is important that you remain current on any changes as they occur.

## ***Eligibility Requirements***

All staff members who earn \$1,000 or more in two consecutive calendar quarters are required to participate in IPERS unless they are eligible for and elect participation in TIAA-CREF. When eligibility requirements are met, enrollment in IPERS is by default. Once an employee is automatically enrolled in IPERS the enrollment is irrevocable and the employee may not change to TIAA-CREF at any time during their employment at UNI.

## ***Effective Date***

IPERS coverage is effective on your date of appointment if you meet the eligibility requirements at that time. If you are not eligible on the date of your employment coverage will be effective on the date the eligibility requirements are met.

## ***Contributions***

- ***Employee Contributions:*** 4.30% of salary (effective July 1, 2009). All employee contributions are made on a tax-deferred basis.
- ***UNI Contributions:*** 6.65% of salary (effective July 1, 2009).

## ***Vesting***

You are vested in IPERS after the earlier of four years of participation or attainment of age 55.

## ***Enrollment***

Enrollment in IPERS is automatic but you must complete an *IPERS Membership Information and Beneficiary Designation Form*. Unless you were enrolled in IPERS at a previous job and did not request a refund, you will be a new member. Complete your Social Security Number, date of birth, gender, name, address, and telephone number. Indicate your beneficiary election. Examples are on the back of the form. Please sign and date the form. If you are married, your spouse must also sign and date the form in front of a witness (who is not a beneficiary). The witness must also sign the form.

## ***Retirement Income***

A life long income to you based on:

- Your average high three years of salary,
- Your attained age,
- Years of IPERS covered service, and
- The retirement option you select.

## ***Options Available Upon Termination of Employment Prior to Retirement***

### ***Non-Vested Member:***

- When you terminate IPERS covered employment you may obtain a cash refund of your contributions plus interest. University contributions plus interest are not refunded.
- With at least 1 year but less than 4 years of IPERS covered employment, you may leave the funds on deposit with IPERS in a non-interest bearing account. Re-employment under the IPERS system within 4 years entitles you to a retirement income based on the old account. Interest on employee and employer contributions resumes with your re-employment.

### ***Vested Members:***

- When you terminate IPERS covered employment you may obtain a cash refund of your contributions plus interest. You will also receive a portion of the employer contributions plus interest. The portion you will receive is calculated by dividing your years of IPERS covered employment by 30 and multiplying by the employer contributions plus interest. For example, if you have worked for UNI for five years and the employer share of contributions plus interest is \$6,000, you will receive  $5/30 \times \$6,000$  or \$1,000.
- Contributions may be left on deposit in an interest bearing account. All contributions continue interest accumulation. Subsequent retirement income will be based on both employee and UNI contributions.

### ***Retirement Age***

- IPERS early retirement at age 55
- “Normal” retirement between the ages of 62 and 65
- At age 70 or older, you may receive IPERS income and continue active UNI employment

Between the ages of 55 and 70, IPERS retirees must establish a “Bona Fide Retirement” as defined by IPERS.

# TIAA-CREF Retirement Annuity

The Teachers Insurance and Annuity Association of America (TIAA)/College Retirement Equities Fund (CREF) retirement program at the University of Northern Iowa is an optional alternative to participation in IPERS

## **Eligibility Requirements**

- Appointment of ½ time or more
- Appointed for 9 months or longer
- Budgeted annual salary of \$7,800 or more

## **Effective Date**

Participation begins on the later of the date of your employment or the date you become eligible. You must enroll within 30 days of your eligibility otherwise you will be irrevocably excluded from participation.

## **Contributions**

- **Employee Contributions:** During the first 5 years of University employment, the employee contributes 3 1/3% of the first \$4,800 of annual budgeted salary and 5% of budgeted salary over \$4,800. During employment after the first 5 years, the employee contributes 5% of the total annual budgeted salary.
- **UNI Contributions:** During the first 5 years of University employment, the university contributes 6 2/3% of the first \$4,800 of annual budgeted salary and 10% of budgeted salary over \$4,800. During employment after the first 5 years, the University contributes 10% of the total annual budgeted salary.

Federal law limits the maximum salary available for pension contributions to **\$245,000 (indexed) per year for employees hired after January 1, 1996.**

## **Tax Sheltered Annuity**

The TIAA-CREF Retirement Program at the University of Northern Iowa is considered to be a Tax Sheltered Annuity by the Federal Internal Revenue Service. Under Section 403(b) of the Federal Internal Revenue Code (IRC), employer contributions and interest and dividends on all contributions are not currently taxable to you as income. Taxes are deferred until you receive the money; during your retirement, under a repurchase request, or at your death (beneficiaries pay the tax).

Employee contributions must be made on a tax-deferred basis. Tax deferral applies to both Federal and State of Iowa taxable income. Contributions are not exempt from Social Security or Medicare tax withholding.

## **Vesting**

Your contributions and the University's contributions are vested immediately. Vesting means that you retain entitlement to employee and employer contributions plus all earnings, even if you terminate employment with the University.

## **Retirement Income**

TIAA-CREF is a defined contribution plan. Your retirement benefits will be based on:

- The total monetary accumulation in your contract,
- Your attained age at the time benefits begin, and

- The option(s) you select.

In general, you may retire under your TIAA-CREF contracts and annuitize your contract (start a lifetime income) at any time after you terminate your University employment. Several of the options provide a life income to your spouse or other second annuitant after your death. You may also elect a guaranteed income period of 10, 15, or 20 years. If you and your second annuitant die during the period you select, the payments continue to your beneficiaries for the remainder of that period.

You may also elect a Systematic Withdrawal from CREF—a monthly payment of an amount designated by you. At age 70½ you may elect a Minimum Distribution option. Both of these options can be structured to allow for any residual contract accumulation balance to pass to your beneficiaries at your death.

Under current federal law, an income from a tax-sheltered annuity must begin by the April 30 after you turn 70½. You may postpone income until retirement if you continue your employment with the University beyond that age. If you have retired but do not start at least a minimum income by the April 30 after age 70½, the IRS will access a penalty of 50% of whatever income they calculate you should have received.

Depending upon your allocation, retirement income may fluctuate to a greater or lesser degree. TIAA guarantees a minimum rate of return in retirement but usually pays additional dividends. CREF accounts have no guaranteed rates of return. Actual returns and therefore income will vary due to changing economic conditions. High yield investments tend to have a greater volatility during the payout years. Low yield investments which may be more consistent from year to year may not outperform inflation during the retirement years.

### ***Options Available upon Termination of Employment***

Terminating employees can keep their funds in their TIAA-CREF account until beginning a retirement income.

A former employee or retiree may convert his or her TIAA-CREF account to any financial instrument he or she deems appropriate.

All cash received will be subject to federal and state income tax and may be subject to an early withdrawal penalty imposed by the Internal Revenue Service.

Funds rolled over directly into another Tax Sheltered Annuity or an Individual Retirement Account will not be subject to federal or state income tax nor the early withdrawal penalty until they are taken as cash or income.

### ***TIAA-CREF Investment Options***

TIAA and CREF investments are funded by contributions from employees and employers and the investment returns credited to those accounts. The complete list of the TIAA and CREF investment options are available in the UNI Retirement Plan Enrollment Book or online at [www.tiaa-cref.org/uni](http://www.tiaa-cref.org/uni).

### ***Investment Allocations***

Contribution allocation may be made from 0% to 100% (in whole percentages only-no fractions) in any account or combination of accounts. Total of all allocations must equal 100%. Contribution allocations may be changed at any time directly with TIAA-CREF by phone or internet.

Accumulations may be moved between the accounts and into the TIAA Traditional Account at any time. Because of the long-term nature of the TIAA Traditional Account investments, these accumulations may only be moved to CREF over a 9-year period (10% per year).

Because TIAA-CREF is a defined contribution fund and your long-term income is based on the accumulation in your contract, your allocation decision is critical in the determination of your retirement income. After your initial allocation decision is made, you should keep informed about the funds that are available, any new funds that become available and the returns of the various accounts. You should

monitor your investments on an ongoing basis. TIAA-CREF mails you quarterly statements as well as other information. Please take the time to stay informed.

After you enroll in TIAA-CREF, you will receive a set of contracts. To access your account via the internet, visit <http://www.tiaa-cref.org>. Elect "Enroll Now". You will be able to use this secure website to change your address, to change your allocation, to change beneficiaries, to transfer funds from one account to another, and to run estimates of retirement income.

# Discretionary Supplemental Retirement Annuities

Participation in a discretionary Supplemental Retirement Annuity (SRA or 403(b) Tax Shelters) at the University of Northern Iowa is optional.

## ***Eligibility***

- Appointment of 1/2 time or more
- Appointment for 9 months or longer

## ***Effective Date***

Whenever you elect to participate. The monthly contributions will begin on the paycheck following the month in which the form is signed.

## ***Contributions***

Under Section 403(b) of the Federal Internal Revenue Code, employees of an eligible employer may elect to make monthly contributions through a payroll reduction process to a tax-sheltered savings account. Current contributions to the plan are not taxable as income for Federal or State of Iowa income tax purposes. Investment returns on these accounts are also tax deferred. Contributions are not exempt from Social Security or Medicare tax withholding. Contributions may be made to an approved Tax Sheltered Annuity (TSA) vendor.

Contributions are limited under the Internal Revenue Service code. Either the Human Resources Office or TIAA-CREF must calculate the maximum allowable contribution.

## ***Taxation***

Taxation on these accounts occurs whenever the money is received. The postponement of taxation on both the contributions and investment return generally presents you with a significant advantage over non-tax deferred savings.

In general, your net cost to save money is less if you defer taxes on the contributions and you accumulate greater total savings if you do not have to pay taxes each year on the investment returns. Even though your tax burden may be higher when you begin to withdraw the funds, the additional savings during the accumulation years usually offsets the higher taxes.

## ***Opening a SRA***

SRAs may be opened through any one of the following vendors who have qualified their product with UNI:

- TIAA/CREF SRA
- Ameriprise
- Fidelity
- Great American Life Insurance Company (GALIC)
- AIG

Contact the Benefits staff in the Human Resources Office, 027 Gilchrist, at 273-2521 if you would like to find out more about SRAs.

*If any covered individual does not understand any part of this summary or has questions regarding the information or your obligations, please contact the Office of Human Resource Services, University of Northern Iowa, 027 Gilchrist, Cedar Falls, IA 50614-0034 or (319)273-2422.*

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