



UNIVERSITY OF MICHIGAN BENEFITS OFFICE

MILESTONES ON YOUR ROAD TO RETIREMENT

Successful retirement planning is an important and continuous task. The following are some milestones and points of interest along the road to retirement that apply to the U-M Basic Retirement Savings Plan and 403(b) SRA. Some do not apply to the 457(b) Deferred Compensation Plan while others do. Not every situation is addressed in this chart. Your circumstances, retirement, and estate planning issues may be different. This is not intended to constitute tax, legal, or investment advice. You should consult with qualified financial, tax, and legal consultants as it pertains to your situation.



AGE-BASED MILESTONES

AGE 35	AGE 50	AGE 55	AGE 59½	AGE 72	AGE 75
Participation in the Basic Retirement Savings Plan is compulsory when you are age 35 or older, have at least 2 years of eligible service, and have a 100% appointment.	The limit for making elective deferrals to the 403(b) SRA and 457(b) plans is increased by \$6,500 for each plan during the calendar year you reach age 50.	The IRS 10% penalty for cash withdrawals from the Basic Retirement Savings Plan and 403(b) SRA made prior to age 59½ is waived if the withdrawal is made after you terminate/retire from U-M during or after the calendar year you reach age 55. This exception to the penalty is lost if you do a rollover to an IRA.	<ul style="list-style-type: none">You may take a cash withdrawal from the 403(b) SRA or the 457(b) for any reason while you are still employed at U-M.Cash withdrawals from the Basic Retirement Savings Plan and the 403(b) SRA made prior to age 59½ are generally subject to a 10% IRS penalty.	You must begin to take required minimum distributions (RMDs) from your U-M accounts by April 1 of the calendar year following the calendar year you reach age 72 or terminate/retire, whichever is later. Note: the RMD age is 70½ if you reached age 70½ by December 31, 2019.	Any 403(b) accumulations as of December 31, 1986 are subject to a grandfathering rule in which minimum distribution of those amounts do not need to begin until age 75 once retired/terminated. This special provision is lost if you roll over grandfathered amounts to an IRA.



SERVICE-BASED MILESTONES

DATE OF HIRE	1 YEAR OF SERVICE	ANNUALLY	2 YEARS OF SERVICE	15 YEARS OF SERVICE	5-7 YEARS PRIOR TO RETIREMENT	30 DAYS PRIOR TO RETIREMENT
You may enroll in the Basic Retirement Savings Plan, 403(b) SRA, and the 457(b) Deferred Compensation Plan.	You become eligible for the U-M contribution to the Basic Retirement Savings Plan. (You must affirmatively enroll.)	Review your progress toward saving for retirement, rebalance your portfolio, increase your 403(b) SRA and/or 457(b) contribution, verify that your address and beneficiary are current, and meet with TIAA-CREF and/or Fidelity Investments consultants.	Participation in the Basic Retirement Savings Plan is compulsory when you are age 35 or older, have at least 2 years of eligible service, and have a 100% appointment.	The limit for making elective deferrals to the 403(b) SRA increases by up to \$3,000 per year, with a lifetime cap of \$15,000 if: 1) your lifetime 403(b) elective deferrals to the Basic Retirement Savings Plan and the SRA average less than \$5,000 per year; and 2) you have 15 cumulative years of service at U-M.	Meet with TIAA and/or Fidelity to begin retirement income, tax, and estate planning. Order Social Security income estimates.	Submit forms to TIAA and/or Fidelity to start retirement income. Your unit needs to process your retirement date with university records, which is used to authorize TIAA and Fidelity to begin issuing your income payments.

FOR MORE INFORMATION

Visit the University Human Resources website at hr.umich.edu/retirement-savings-plans for more details.

FOR PERSONALIZED ASSISTANCE

As part of the University of Michigan retirement plans, you can meet with a TIAA or Fidelity consultant at no additional cost. They can help you select investments and see if your current plan is on track to replace your income in retirement. TIAA and Fidelity are the ONLY approved vendors for the U-M Retirement Plans.

TO SCHEDULE AN APPOINTMENT

TIAA

TIAA.org/schedulenow or call 800-732-8353, weekdays, 8 a.m. to 8 p.m.

Fidelity

netbenefits.com/uofm or call 800-642-7131, weekdays, 8 a.m. to midnight