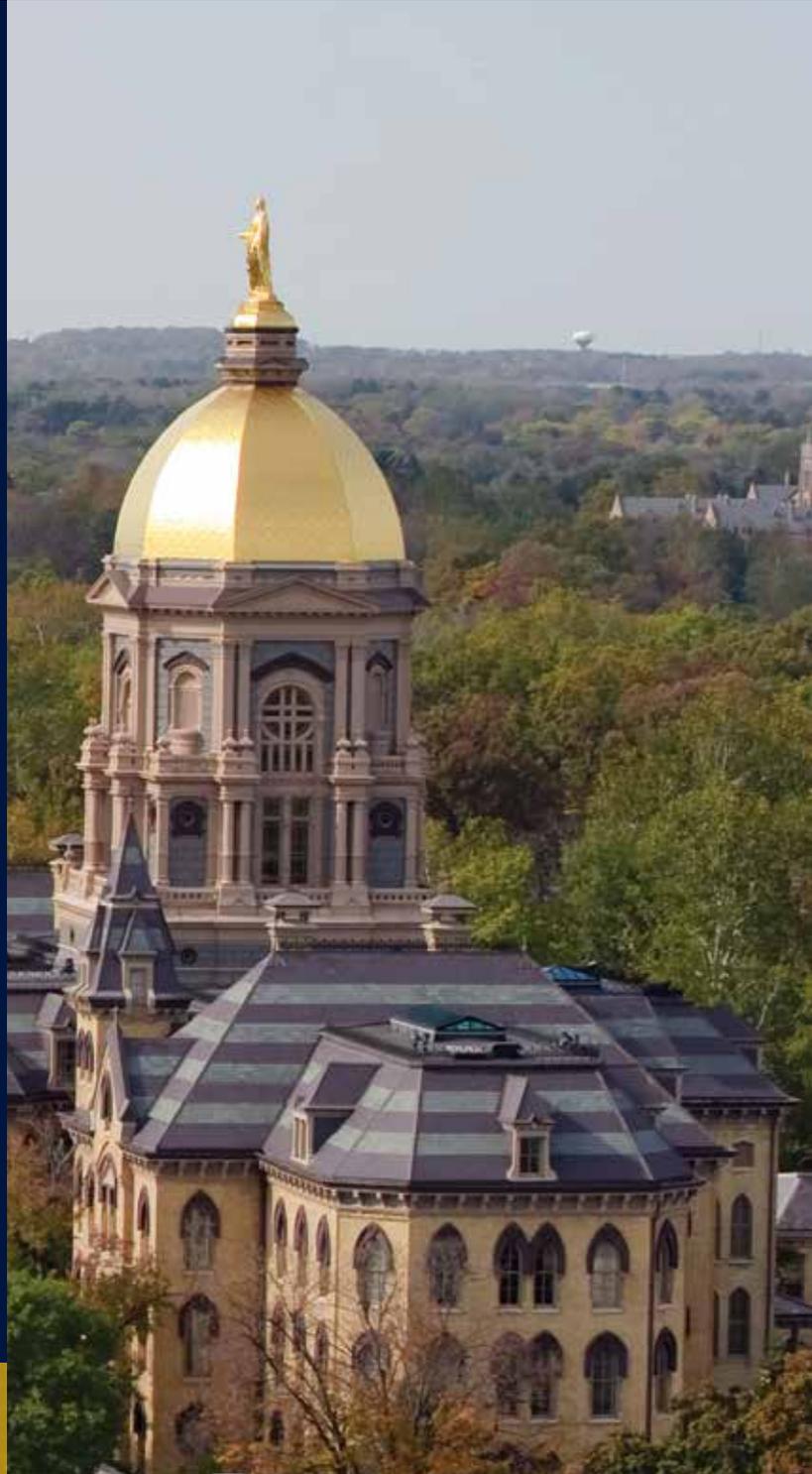


RETIREMENT PLAN CHOICE  
DECISION GUIDE

---

LEARN, COMPARE,  
*and* DECIDE



# Why Is the University of Notre Dame Providing You a Retirement Plan Choice?

The University of Notre Dame has always strived to provide retirement plans that are consistent with our values and excellent compared to other places of work. The UND Employees' Pension Plan has served this purpose well for many years. But, over time we have received feedback indicating it may no longer be the best choice for all staff, especially for those who may spend only part of their careers at the University or want more control over their retirement savings.

As a result, all non-exempt staff currently in the UND Employees' Pension Plan will have a one-time opportunity this fall to switch to the UND 403(b) Retirement Plan or remain in the UND Employees' Pension Plan. Each Plan has its strengths, and each staff member should choose the Plan that is best for him or her. The choice you make is important, and this guide is one of the resources we're providing to help you make the best decision for yourself.

The mission and values of the University of Notre Dame drive us to care deeply for our staff and their families. How we help our staff plan for retirement is a very important part of how we live up to our values. We believe these options will strengthen your ability to plan for retirement. Thank you for being part of Notre Dame.



Just follow these steps to find out more about Retirement Plan Choice and how to make your election:

## STEP 1: LEARN

Learn about your two Retirement Plan Choices by reading this Decision Guide. We also encourage you to attend a Retirement Plan Choice Meeting on **September 14 and 15** (times and locations to be announced). You can call the Aon Hewitt Service Center at **877-259-4419** with any questions. Multilingual representatives are available.

## STEP 2: COMPARE

Consider the future retirement benefit you could have under each plan by looking at your enclosed Retirement Plan Choice Personalized Statement. You can also visit the Retirement Plan Choice Web site to model additional retirement estimates for each choice. Accessing the site is easy. Just log on to **RetirementChoice.nd.edu**. Once you reach the site, enter your Notre Dame **Net ID** and **Password**.

## STEP 3: DECIDE

Make your Retirement Plan Choice by completing the enclosed Retirement Plan Choice Election Form by **October 23, 2017**. See page 16 for more details.

Because this is an important decision that can have a significant impact on your future income, Notre Dame encourages you to take the time to learn, compare, and decide which choice is best for you. You may want to seek professional assistance from a financial advisor or tax specialist about this important decision.

# YOUR RETIREMENT PLAN CHOICE: THREE KEY STEPS

Notre Dame is providing you an opportunity to make an important choice about how you earn your future retirement benefit. You will choose if you would like to earn your retirement benefit through:

**CHOICE #1** Current Retirement Plan—UND Employees’ Pension Plan *or* **CHOICE #2** UND 403(b) Retirement Plan

The Retirement Plan Choice period from **September 7 through October 23, 2017** is an opportunity for you to make your Retirement Choice. Follow these three action steps to make your choice:

STEP 1: LEARN	STEP 2: COMPARE	STEP 3: DECIDE
Learn about your two Retirement Plan Choices	Consider the future retirement benefit you could have under each option	Make your Retirement Plan Choice by the October 23, 2017 deadline

## YOUR RESOURCES

Notre Dame is providing the following resources to help you decide which retirement plan best meets the needs of you and your family:

- **This Retirement Plan Choice Decision Guide.** This guide gives you detailed information about your two **Retirement Plan Choices**, and suggests things you should consider when you make your decision. In addition, this guide features profiles of sample employees and the things each considered when making a choice.
- Your **Retirement Plan Choice Personalized Statement** (enclosed with this Decision Guide). The statement provides personalized comparisons of your estimated future retirement benefit from each plan at various ages using certain assumptions.
- The **Retirement Plan Choice Web site.** This site allows you to model additional retirement estimates for each retirement plan option by changing some of the assumptions that were set for you in your personalized statement. Accessing the site is easy. Just log on to **RetirementChoice.nd.edu**. Once you reach the site, enter your Notre Dame **Net ID** and **Password**.
- **Retirement Plan Choice Meetings.** We strongly encourage you to attend an information session about your choices. Meetings with representatives from Aon Hewitt and Fidelity will be held on site throughout **September 14 and 15**. Look for further announcements with times and location.

**The Aon Hewitt Service Center.** If you have any questions, contact an Aon Hewitt Service Center representative who can personally answer your questions. To contact the center, call **877-259-4419** between 8 a.m. and 5 p.m., Eastern time, Monday through Friday, excluding holidays. Multilingual representatives are available.

**NOTE:** Notre Dame has engaged the Aon Hewitt Service Center to help you understand the differences between the two retirement plan choices, how to access and use the online modeler, and how to submit your Retirement Plan Choice.



### WHO IS ELIGIBLE TO MAKE A CHOICE?

As a Notre Dame staff member, you are eligible to participate in the Retirement Plan Choice if you meet these criteria:

- You must be a participant in the UND Employees’ Pension Plan by July 1, 2017;
- You are considered active, regular non-exempt staff; and
- You have one or more years of service.

### DEFINITIONS OF IMPORTANT TERMS

Please refer to page 17 for an explanation of some of the terms used in this guide to help you better understand your choices.

## In This Guide

Your Retirement Plan Choice:		Compare	10
Three Key Steps	3	Decide	16
Learn	4	Key Dates	18



# LEARN

## RETIREMENT PLAN CHOICE OPTIONS AT A GLANCE

During the Retirement Plan Choice period from September 7 through October 23, 2017 you can choose to stay in the Current Retirement Plan, UND Employees' Pension Plan—Choice #1 or move to the UND 403(b) Retirement Plan—Choice #2. With Choice #2 your benefit under the UND Employees' Pension Plan will be frozen as of December 31, 2017, and you will keep any vested benefit you earn in the UND Employees' Pension Plan through January 1, 2018. This benefit is “frozen”—meaning that the amount will not change over time.

The charts below and on the next page provide a comparison of your two choices. You can also compare what each Choice means for you personally by reviewing your enclosed personalized statement and using the comparison tool on the Retirement Plan Choice Web site.

### CHOICE #1:

#### Current Retirement Plan—UND Employees' Pension Plan

KEY FACTS	CURRENT RETIREMENT PLAN
	<b>UND Employees' Pension Plan</b>
<b>Type of plan</b>	<b>Defined benefit</b>
Ownership of your benefit (vesting)	After five years of vesting service at Notre Dame, you are 100% vested in your Pension Plan benefit. You continue to earn vesting credit toward this benefit while you are employed by Notre Dame.
Who makes investment decisions	Notre Dame makes the decisions.
How your benefit is determined	Your benefit is calculated based on a set formula that considers your pay, years of service, and age at retirement. Your benefit is defined as the greater of: (a) $(1.45\% \times \text{Final Average Pay} \times \text{Credited Service})/12$ Or (b) $\$10 \times \text{Credited Service}$
How and when you can receive your benefit	<ul style="list-style-type: none"> <li>You can retire at normal retirement age (65) or older and receive your full vested benefit.</li> <li>You can receive a reduced benefit amount at age 55 if you have least 15 years of credited service or age 62 if you have at least 10 years of credited service.</li> <li>When you retire, your benefit is paid through one of several annuity (monthly) payment methods.</li> <li>If your total cash value is \$1,000 or less, you may receive it as a lump sum.</li> </ul>
Covered pay	Your wages and all other payments of compensation, including bonuses, overtime, and tips, made to you each calendar year.
Benefit to your survivors	<ul style="list-style-type: none"> <li>If you die before you commence your benefit from Notre Dame and are:               <ul style="list-style-type: none"> <li>Married, your spouse will receive a survivor benefit.</li> <li>Single, the Plan pays no benefit.</li> </ul> </li> <li>If you die after you commence your benefit from Notre Dame, your spouse or designated beneficiary will receive a survivor benefit if you elected a form of payment to allow for a continuing benefit.</li> </ul>
Protection of your retirement income	<ul style="list-style-type: none"> <li>The Plan assets are held in a trust that is separate from Notre Dame resources.</li> <li>Your retirement income is insured by the Pension Benefit Guaranty Corporation (PBGC) up to certain limits.</li> </ul>

## CHOICE #2:

### UND 403(b) Retirement Plan (and frozen UND Pension Plan benefit)

KEY FACTS	UND 403(B) RETIREMENT PLAN WITH FROZEN UND EMPLOYEES' PENSION PLAN BENEFIT		
	<b>UND 403(b) Retirement Plan</b>		
<b>Type of plan</b>	<b>Defined contribution</b>		
Ownership of your benefit (vesting)	<ul style="list-style-type: none"> <li>You will be immediately 100% vested in Notre Dame's contributions and any voluntary employee contributions you choose to make.</li> <li>You will continue to earn vesting credit toward the Pension Plan while you are employed by Notre Dame.</li> </ul>		
Who makes investment decisions	You make the decisions. Fidelity has retirement planners to assist you in making investment decisions.		
How your benefit is determined	<ul style="list-style-type: none"> <li>You will earn a benefit through an investment account set up in your name.</li> <li>In addition to the voluntary employee contributions you may already be making to the UND 403(b) Retirement Plan, Notre Dame will make two types of contributions to your account.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Notre Dame Retirement Contribution</b></p> <p>Notre Dame will make an automatic contribution of 5% of your pay to your account each pay period.</p> </td> <td style="width: 50%; vertical-align: top;"> <p><b>Notre Dame Matching Contribution</b></p> <p>If you voluntarily contribute anywhere from 1% up to 5% of pay, Notre Dame will contribute the same 1% up to 5% that you contribute. Your voluntary contributions can be made either pre-tax or Roth after-tax.</p> </td> </tr> </table>	<p><b>Notre Dame Retirement Contribution</b></p> <p>Notre Dame will make an automatic contribution of 5% of your pay to your account each pay period.</p>	<p><b>Notre Dame Matching Contribution</b></p> <p>If you voluntarily contribute anywhere from 1% up to 5% of pay, Notre Dame will contribute the same 1% up to 5% that you contribute. Your voluntary contributions can be made either pre-tax or Roth after-tax.</p>
<p><b>Notre Dame Retirement Contribution</b></p> <p>Notre Dame will make an automatic contribution of 5% of your pay to your account each pay period.</p>	<p><b>Notre Dame Matching Contribution</b></p> <p>If you voluntarily contribute anywhere from 1% up to 5% of pay, Notre Dame will contribute the same 1% up to 5% that you contribute. Your voluntary contributions can be made either pre-tax or Roth after-tax.</p>		
How and when you can receive your benefit	<ul style="list-style-type: none"> <li>Your vested benefit is portable, so you can take it with you if you leave Notre Dame.</li> <li>You can roll it over to another qualified plan or receive it in a lump sum.</li> </ul>		
Covered pay	Base pay plus overtime, shift differential, and tips.		
Benefit to your survivors	<ul style="list-style-type: none"> <li>You may designate whomever you wish to be your beneficiary.</li> <li>The beneficiary you designate will receive your entire benefit account.</li> </ul>		
Protection of your retirement income	<ul style="list-style-type: none"> <li>The Plan assets are held in a custodial account that is separate from Notre Dame resources.</li> <li>You are 100% vested in your contributions and Notre Dame's contributions.</li> </ul>		

## PLEASE NOTE: UND EMPLOYEES' PENSION PLAN

If you elect to begin participating in the 403(b) Retirement Plan on January 1, 2018 (Choice #2), your benefit in the UND Employees' Pension Plan will be frozen on December 31, 2017. You will continue to keep any vested benefit you earned in the UND Employees' Pension Plan, but that amount will be frozen and will not change over time.

# CHOICE #1: The Current Retirement Plan...How It Works

If you choose to continue with the Current Retirement Plan—the UND Employees' Pension Plan—you will continue to earn a benefit under this Plan. Read on to understand the features of the Current Retirement Plan and how your benefit will grow.



## YOUR ELIGIBILITY

As someone who became a participant in the UND Employees' Pension Plan on or before July 1, 2017, you are eligible to choose to continue with the current Plan. Regular non-exempt staff who have not worked at least 1,000 hours by this date will not be eligible to choose this option.

## WHEN YOU ARE VESTED

Vesting means that you have the right to receive your benefit. After five years of service, you are 100% vested in your UND Employees' Pension Plan benefit. You are 0% vested in your benefit before completing five years of service.

## HOW YOU EARN YOUR RETIREMENT INCOME BENEFIT

The current UND Employees' Pension Plan is a defined benefit plan. Your benefit is based on a formula that factors in your age, eligible compensation, and years of service when you retire from Notre Dame.

Your benefit is defined as the greater of:

(a)  $(1.45\% \times \text{Final Average Pay} \times \text{Credited Service})/12$

Or

(b)  $\$10 \times \text{Credited Service}$

Final Average Pay is the annual average of your highest five consecutive calendar years of pay paid in the last 10 years.

If you were employed prior to January 1, 2009, you earned one year of Credited Service for every calendar year that you worked at least 1,000 hours.

Beginning January 1, 2009, you earn one year of Credited Service for every Plan Year (which runs each July 1 – June 30) that you work at least 1,000 hours.

## BENEFIT YOU'VE EARNED SO FAR

You will keep any benefit you earn in the UND Employees' Pension Plan through December 31, 2017. It will be part of the benefit you continue to earn in this Plan.

## WHO MAKES INVESTMENT DECISIONS

Notre Dame directs the investment of all the assets in the UND Employees' Pension Plan.

## WHEN YOU RECEIVE YOUR BENEFIT

You can receive your vested benefit when you are eligible to retire from Notre Dame. Your benefit is taxable when you receive it. In this Plan, you can choose one of these two retirement time frames:

- **Normal retirement.** You can begin receiving your full retirement plan benefit starting at age 65.
- **Early retirement.** You can begin receiving a reduced benefit anytime at or after age 55 if you have 15 years of credited service, or age 62 if you have 10 years of credited service. Your benefit is reduced by 1/180 for each month that you receive a benefit payment before age 65, but after age 60. Your benefit is further reduced by 1/360 for each month that you receive a benefit payment before age 60. This reduction reflects the fact that you'll most likely receive benefit payments for a longer period of time.

## HOW YOU CAN RECEIVE YOUR BENEFIT

When you retire, you can choose from several monthly annuity payment options. The annuity payment options available under the Employees' Pension Plan include payments to you for the rest of your life and options that provide continuing payments to your surviving spouse after your death.

With the options that continue payments to your beneficiary, the amount of your benefit is reduced to account for the fact that Notre Dame will probably pay your benefit out over a longer period of time. The reduction is based on your and your beneficiary's ages when you retire.

## WHO IS YOUR BENEFICIARY?

If when you begin receiving payments you are:

- **Married:** your spouse is entitled to a survivor monthly benefit from this Plan. If you are married when you begin receiving benefit payments, your spouse may waive their right to any benefit payments from the Plan, with written consent. In that situation, you could choose the 10-year certain and life payment option and name someone else as your beneficiary. You could also choose a Joint and Survivor payment option and name someone else as your beneficiary.
- **Single:** you can name a beneficiary for the 10-year certain and life payment. Alternatively, you may be able to name a beneficiary for a Joint and Survivor payment.

## IF YOU DIE BEFORE RECEIVING YOUR BENEFIT

If you are married and you die before receiving your retirement benefit, your spouse can receive a survivor benefit. However, if you are single when you die, this Plan will pay no retirement benefit.

## PROTECTION OF YOUR RETIREMENT INCOME

The Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency, insures your benefit. If this Plan ends without the resources to pay the benefits that participants are eligible for, the PBGC would provide a guaranteed benefit amount to you and the other eligible participants. For more details, log on to [www.pbgc.gov](http://www.pbgc.gov).



## CHOICE #2: The UND 403(b) Retirement Plan... How It Works

If you choose the UND 403(b) Retirement Plan, your benefit under the Employees' Pension Plan will be frozen as of December 31, 2017, and you will begin earning benefits under the UND 403(b) Retirement Plan.

The following applies to the UND 403(b) Retirement Plan only. **You will still have your frozen benefit in the Employees' Pension Plan.**



### YOUR ELIGIBILITY

As a current regular non-exempt staff member, you are eligible to choose this option, the UND 403(b) Retirement Plan. Staff members who were not active Pension Plan participants as of July 1, 2017, will not have a choice and will be automatically enrolled in the UND 403(b) Retirement Plan.

### WHEN YOU ARE VESTED

Vesting means that you have the right to receive your benefit. You are immediately 100% vested in the 403(b) Retirement Plan.

### HOW YOU EARN YOUR RETIREMENT INCOME BENEFIT

The way you will earn your retirement income benefit is fairly straightforward. Notre Dame will automatically contribute 5% of your eligible compensation (see definition on page 17) to your UND 403(b) Retirement Plan account after the end of each pay period. You invest your account in any of the UND 403(b) Retirement Plan investment funds based on your own personal goals. Notre Dame will also match any contributions you voluntarily choose to make to the Plan dollar for dollar, up to 5% of your pay. You can find out even more by attending a meeting during the Retirement Plan Choice period and by meeting with a Fidelity Retirement Planner.

### WHO MAKES INVESTMENT DECISIONS

You will be responsible for investing your UND 403(b) Retirement Plan account balance. Fidelity Retirement Planners are on campus each month and are available by phone to provide guidance to you in choosing your investment options.



## WHEN YOU RECEIVE YOUR BENEFIT

Your account balance will be portable, so you can take it with you if you leave Notre Dame.

You can:

- Leave your balance in the Plan and it will continue to earn a return based on the investment funds you select. IRS tax rules apply to receiving your benefit. For example, if you receive your balance before age 59½ and do not roll it over, you may be responsible for a 10% tax penalty in addition to regular federal income taxes, or
- Roll over your balance into another employer's tax-qualified plan or a rollover IRA.

## HOW YOU CAN RECEIVE YOUR BENEFIT

- To receive the UND 403(b) Retirement Plan account benefit, you have three payment options:
  - Roll over your benefit to another qualified plan or Individual Retirement Account (IRA),
  - Take it in installments, or
  - Receive it in a lump sum, regardless of the amount.

## WHO IS YOUR BENEFICIARY?

- **Single:** You may name any individual, organization, or trust as your beneficiary.
- **Married:** Your spouse is automatically your beneficiary. Your spouse may waive their right to any benefit payments from the Plan in writing. In that situation, you could name any individual, organization, or trust to receive your benefit.

## IF YOU DIE BEFORE RECEIVING YOUR BENEFIT

If you die before you begin receiving your UND 403(b) Retirement Plan account balance, your beneficiary will receive your full account balance.

## PROTECTION OF YOUR UND 403(b) RETIREMENT PLAN INCOME

The assets in your UND 403(b) Retirement Plan account are held in a custodial account that is separate from Notre Dame resources. If Notre Dame does not have the assets to continue funding the Plan, you still have full rights to your account balance. The amounts are not insured by the PBGC, and your account balance will fluctuate based on the earnings you receive from your investment choices.





# COMPARE

Now that you have gathered your facts about the retirement plans, it is time to consider your two Retirement Plan Choices. In this section, you will find the following information to help you take a careful look at how your choices compare:

- Things to Consider (pages 10-11)—Read a list of important factors to consider as you compare your choices.
- Employee Examples (pages 12-15)—Learn how two sample Notre Dame regular non-exempt staff members made their Retirement Plan Choice.

## THINGS TO CONSIDER

Below are some things you should consider as you determine the Retirement Choice that is best for you and your family.

FACTORS	ASK YOURSELF	CONSIDER
Your Total Retirement Picture	What do I plan to do during retirement? How much money will I need to save to live comfortably?	It is important to think about the types of activities you plan to do during retirement, and what “living comfortably” means to you. Then consider the level of income it will take to sustain this lifestyle.  Notre Dame offers you the retirement plans, but it is important to look at all the possible sources of income you may have during retirement—for example, Social Security, personal savings, your spouse’s retirement benefit, and additional income from work during retirement.
Value of Your Notre Dame Retirement Benefit	When do I plan to retire from Notre Dame? At that age, what is the estimated benefit I will receive?	The more time you have until you retire, the more time you have to build up your benefit amounts.  Depending on when you plan to retire from Notre Dame, one of the retirement plans may provide a higher benefit than the other one.  There may be a point in time in which the value of your estimated benefit under one retirement plan may begin to exceed the value of your estimated benefit under the other option. This is called the “crossover point.” Think about whether you are planning to leave Notre Dame before or after this point.
Your Career Goals	Will I spend my whole career at Notre Dame? When do I expect to leave Notre Dame? At retirement? Sooner?	Your years of credited Notre Dame service affect the amount of your estimated future benefit.  Generally, the longer you work at Notre Dame, the higher your benefit could be under both retirement plans.
Your Family Situation	Is it important that my spouse or children receive some of my retirement benefit after I die?	Your family status may determine the option you choose and the payment methods you prefer.  You may want your spouse to receive benefit amounts after you die or, you may want the flexibility in naming a beneficiary other than a spouse.  Be sure to review the payment methods and beneficiary options under each Plan.

FACTORS	ASK YOURSELF	CONSIDER
Your Pay	How will future pay changes affect my retirement benefit?	<p>Your benefit estimates are based on your current and projected pay from Notre Dame and assumptions listed in your Retirement Plan Choice Personalized Statement.</p> <p>Use the Retirement Plan Choice Web site’s modeling tool to see the impact of changes to your pay growth assumptions.</p>
When and How to Receive Your Benefit Amounts	<p>When do I want to receive my benefit—when I retire or when I leave Notre Dame (if sooner)?</p> <p>Do I want to receive my benefit as a monthly benefit (annuity) for my lifetime, in installments, or in one lump sum?</p>	<p>With the Employees’ Pension Plan, your only option is to receive your vested benefit as a lifetime annuity (in monthly payments). You can receive your benefit when eligible to do so under the Pension Plan rules.</p> <p>With the 403(b) Plan, you can receive your account balance in a lump sum when you leave Notre Dame. At that time, you have the option to roll over your account balance to another plan. (Other payment options exist for staff still employed; some restrictions may apply.)</p>
Your Investment Comfort	<p>How much control do I want over investing my retirement benefit?</p> <p>Do I want to be responsible for diversifying my investments?</p>	<p>With the UND 403(b) Retirement Plan, you have control over how your entire 403(b) Plan account balance is invested and accept responsibility for the risk. You can choose among 24 investment options. Fidelity Investments will be on site in September and each month thereafter to provide assistance.</p> <p>With the Current Retirement Plan—the UND Employees’ Pension Plan, Notre Dame controls investment decisions, and you are not responsible for investing your retirement dollars.</p>



## STAFF EXAMPLES

While only you can decide which Retirement Plan Choice is better for you, sometimes it helps to see how other employees made their decisions. On the following pages, take a look at the things that these two sample non-exempt staff members considered, and their decisions.

### EXAMPLE: PATRICK



### ASSUMPTIONS USED IN EXAMPLES

To develop these examples, Notre Dame used the same assumptions followed in your Retirement Plan Choice Personalized Statement.

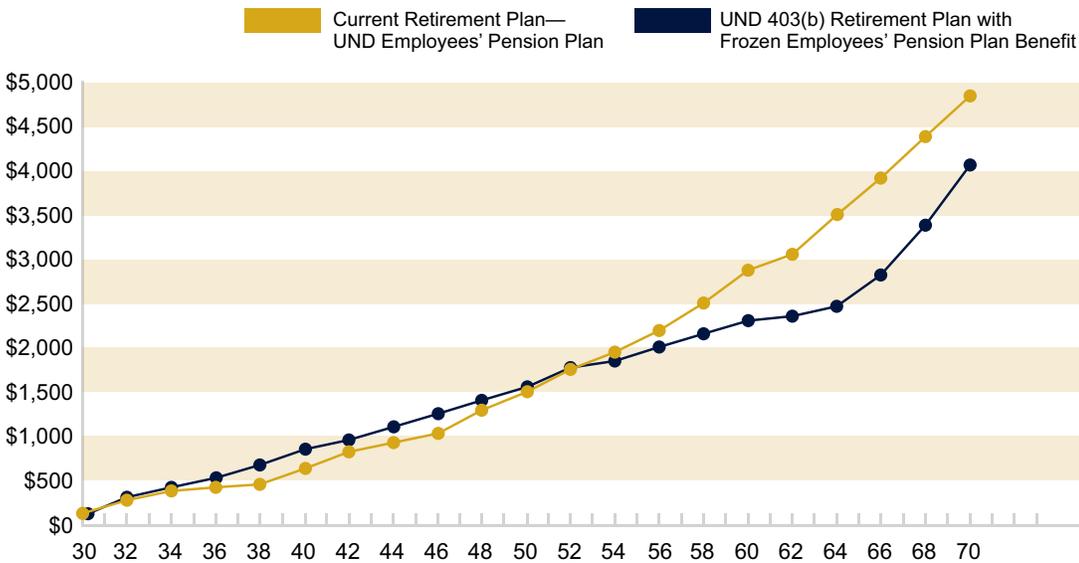
### ABOUT PATRICK

Below are a few key facts about Patrick, a 30-year-old employee who joined Notre Dame five years ago.

KEY FACTS	PERSONAL SITUATION
Current age: 30 Age when joined Notre Dame: 25 Credited service: five years Vesting service: five years 2016 UND Employees' Pension Plan Compensation: \$28,300 2016 UND 403(b) Retirement Plan Compensation: \$27,900 <b>Note:</b> Eligible compensation varies by Plan.	<ul style="list-style-type: none"><li>• Works in Landscape Services</li><li>• Single with no children</li><li>• Plans to stay at Notre Dame until he's around 40 and then plans to start a landscape business</li><li>• Comfortable with making investment decisions and likes having control over investing</li></ul>

## HOW THE CHOICES COMPARE FOR PATRICK

For comparability, the Notre Dame provided portion of the UND 403(b) Retirement Plan account balance has been converted to an annuity so that both choices represent an annuity payable at age 65.



### CAREFULLY CONSIDER YOUR SITUATION

Keep in mind that these are only samples. Make sure to carefully consider your own personal situation before you make your Retirement Plan Choice. In the process, you may want to consult with a financial advisor.

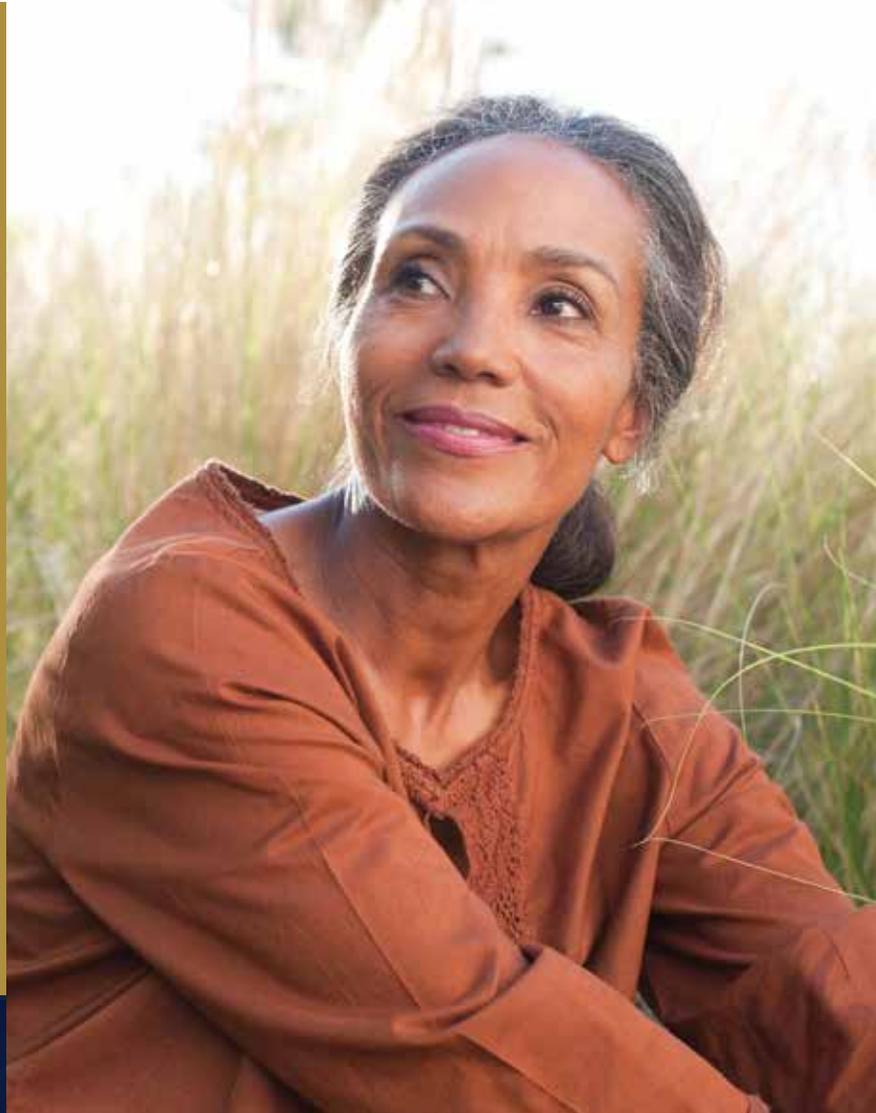
## WHICH CHOICE DID PATRICK MAKE?

Retirement seems a long way off for Patrick. However, he knows that the Retirement Plan Choice he makes now will have a big impact on the income he will have in the future. The things most important to him are:

- **Portability.** If Patrick leaves Notre Dame before age 52, the UND 403(b) Retirement Plan with a frozen UND Employees' Pension Plan benefit will offer him a higher retirement benefit.
- **His Career Goals.** He wants to make the most of the Notre Dame retirement program in the next 10 years while he is with Notre Dame so he has a solid nest egg to rely on when he starts his own landscape business. On the Web site modeler, Patrick changed his before-tax contribution assumption from 5% to 0% so he could see the effect of receiving less than the full match contributions. This decrease translated into \$350 less in retirement income at age 40 (on an annuity basis). He also compared the impact of the match on the 403(b) account balance by selecting the Present Value option. Patrick will be better able to achieve his goals if he contributes 5% and receives the full match.
- **When and How to Receive His Benefit Amount.** He would like to take his benefit with him if he leaves Notre Dame.
- **His Investment Comfort.** Although he does not have a lot of extra time, he enjoys tracking his investments and having the freedom to make decisions about how his money is invested.

After thinking through these factors, Patrick selected **Choice #2: UND 403(b) Retirement Plan.** It offers him a higher estimated benefit in the short term, as well as more flexibility and control over his investments.

EXAMPLE:  
MARIA



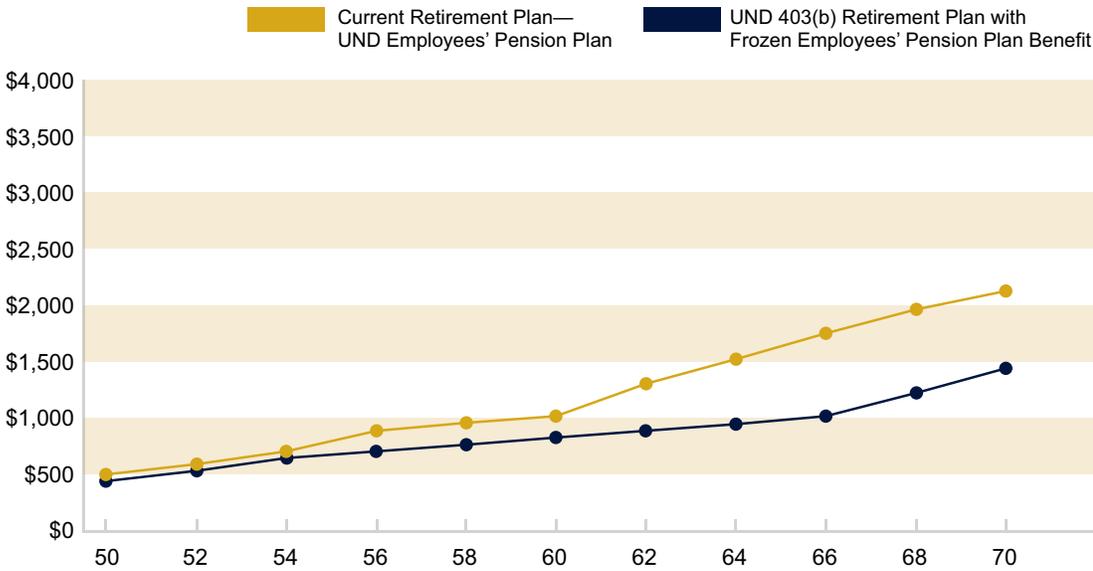
### ABOUT MARIA

Maria has been with Notre Dame for 13 years, and would like to stay until she retires. Here are a few key facts about her.

KEY FACTS	PERSONAL SITUATION
Current age: 49 Age when joined Notre Dame: 36 Credited service: 13 years Vesting service: 13 years 2016 UND Employees' Pension Plan Compensation: \$29,500 2016 UND 403(b) Retirement Plan Compensation : \$28,400 <b>Note:</b> Eligible compensation varies by Plan.	<ul style="list-style-type: none"><li>• Has worked in General Services since joining Notre Dame</li><li>• Married</li><li>• Three children ages 19, 22, and 24</li><li>• Plans to retire from Notre Dame</li><li>• Not comfortable managing her investments</li></ul>

## HOW THE CHOICES COMPARE FOR MARIA

For comparability, the Notre Dame provided portion of the UND 403(b) Retirement Plan account balance has been converted to an annuity so that both choices represent an annuity payable at age 65.



## WHICH CHOICE DID MARIA MAKE?

Maria is enjoying her work and plans to stay at Notre Dame until she retires—possibly as early as age 55. As she and her husband, Conor, looked through the Retirement Plan Choice resources, they focused on the following factors:

- **Her Total Retirement Picture.** They decided to step back and think more broadly about their retirement. They looked at all their possible sources of income—including the retirement income from Conor's employer.
- **Value of Her Notre Dame Retirement Benefit.** Assuming Maria contributes 5% to the UND 403(b) Retirement Plan, the Current Retirement Plan—UND Employees' Pension Plan offers her a higher benefit at any age in the future.
- **Her Career Goals.** Maria wants to remain at Notre Dame until retirement. In fact, after looking at how much her retirement income can grow between the time she is age 55 and 65, she starts to think about possibly working longer.
- **Contributions.** Maria is currently not contributing to the UND 403(b) Retirement Plan on a voluntary basis because contributing would put a slight strain on her budget. Now that she sees the value of saving, she is considering making voluntary contributions to the UND 403(b) Retirement Plan as a way to save additional money for retirement even if she chooses to stay in the UND Employees' Pension Plan.
- **Her Pay.** While she was using the Web modeler, she also changed the assumptions she used for her future pay increases (from 3% to 4%). Still, the Current Retirement Plan—UND Employees' Pension Plan benefit was higher.

Based on these factors, Maria selected **Choice #1: Current Retirement Plan—UND Employees' Pension Plan**. It offers her a higher estimated benefit and allows Notre Dame to manage the UND Employees' Pension Plan investments.





# DECIDE

Once you have learned about the retirement plans and had a chance to compare your choices, it's time to choose the retirement plan that is best for you. You have through **October 23, 2017** to make this important decision about your retirement benefits.

Make your election one of three ways:

- Mail your Retirement Plan Choice Election Form to:

Office of Human Resources (Benefits Specialist)  
University of Notre Dame  
200 Grace Hall  
Notre Dame, IN 46556-5612

Or

- Turn in your Retirement Plan Choice Election Form to the Office of Human Resources in Grace Hall.

Or

- Fax your Retirement Plan Choice Election Form to the UND Office of Human Resources at **574-631-6790**.

Mailed forms must be postmarked by **October 23, 2017**. Personally delivered and faxed forms must be received by **October 23, 2017**.

*If you don't make a Retirement Plan Choice, you will automatically stay in the Current Retirement Plan, the UND Employees' Pension Plan (Choice #1). You are strongly encouraged to carefully compare and actively make an election.*

You will receive a statement confirming your choice.

## NEXT STEPS

- If you selected **Choice #1**, Current Retirement Plan—UND Employees' Pension Plan, no further action is needed.
- If you selected **Choice #2**, UND 403(b) Retirement Plan, contact Fidelity Investments at **877-963-0242** for an individual meeting to enroll in the Plan and choose your investments.



## DEFINITIONS OF IMPORTANT TERMS

Here are definitions for some of the words and phrases used throughout this Decision Guide.

- **Annuity.** A payment option through which you receive your benefit in monthly payments over a defined period, such as your lifetime.
- **Beneficiary.** A person, trust, estate, or other entity entitled to receive all or a portion of your benefit after you die.
- **Break in service.** A one-year break in service is a consecutive 12-month period, beginning the date you terminate employment or remain absent from work and ending the date you resume employment with Notre Dame.
- **Credited service (CS).** One of the parts of the UND Employees' Pension Plan formula. In general, you receive one year of credited service for each year you work 1,000 hours with Notre Dame and participate in the UND Employees' Pension Plan.
- **Crossover point.** The point in time in the future at which the value of your estimated benefit under one retirement option begins to exceed the value of your estimated benefit under the other option.
- **Defined benefit.** A type of retirement benefit plan that “defines” the benefit amount you will receive from Notre Dame. The UND Employees' Pension Plan is a defined benefit plan.
- **Defined contribution.** A type of retirement benefit plan that “defines” the contributions made to the plan by Notre Dame and you. The UND 403(b) Retirement Plan is a defined contribution plan.
- **Early retirement age.** The earliest age at which you can choose to receive a UND Employees' Pension Plan benefit—which is age 55 as long as you have at least 15 years of credited service, or age 62 with at least 10 years of credited service.
- **Eligible compensation.** The amount of pay that Notre Dame uses to determine your final average pay.
  - UND Employees' Pension Plan-Covered Pay: Your wages and all other payments of compensation, including bonuses, overtime, and tips, made to you each calendar year.
  - UND 403(b) Retirement Plan-Covered Pay: Base pay plus overtime, shift differential, and tips.
- **Final average pay (FAP).** This is one of the parts of the UND Employees' Pension Plan formula. It is your average annual eligible pay during your highest five consecutive years of employment with Notre Dame (out of the last 10 years you work).
- **Frozen benefit.** If you choose the UND 403(b) Retirement Plan, your benefit in the UND Employees' Pension Plan will be “frozen,” meaning that Notre Dame will stop contributing for you to this Plan but you are still entitled to your benefit amount as of December 31, 2017.
- **Lump sum payment.** A payment method in which you receive your whole benefit amount as a one-time cash payment, for benefits with a cash value less than \$1,000.
- **Normal retirement age.** Age 65 with five years of service.
- **Payment methods.** The way you receive your benefit.
- **Pension Plan formula.** The formula used to determine your benefit from the UND Employees' Pension Plan. Your benefit is based on a formula that factors in your age, eligible compensation, and years of service when you retire from Notre Dame. Your benefit is defined as the greater of:
  - (a)  $(1.45\% \times \text{Final Average Pay} \times \text{Credited Service})/12$
  - Or
  - (b)  $\$10 \times \text{Credited Service}$
- **Vesting.** The process of building ownership rights to your benefit.
- **Vesting service.** Years of service used to determine your right to own your benefit.

# KEY DATES

**SEPTEMBER 7, 2017**

Retirement Plan Choice period opens



**SEPTEMBER 14-15, 2017**

Retirement Plan Choice Meetings that include representatives from Aon Hewitt and Fidelity. Look for posters that announce times and locations.



**OCTOBER 23, 2017**

Retirement Plan Choice period closes



If you selected **Choice #2**, UND 403(b) Retirement Plan, contact Fidelity Investments at **877-963-0242** for an individual meeting to enroll in the Plan and choose your investments.

**EARLY NOVEMBER 2017**

You receive your Retirement Plan Choice Confirmation Statement



**JANUARY 1, 2018**

Your Retirement Plan Choice takes effect



Retirement is a big decision, with choices that can be complex. That's why you may want to seek professional assistance from a financial advisor or tax specialist about this important decision.





The University of Notre Dame has designed this Decision Guide to help you understand the changes to the retirement plans taking effect January 1, 2018. As you review this information, please keep in mind that:

- Notre Dame is providing you this guide for your information only as you make your choice. If there is any discrepancy between the information presented in this guide and the official Plan documents, the Plan documents will always govern. The Plan documents have been amended to incorporate the Plan details outlined in this document.
- The Plans may change again in the future. Notre Dame reserves the right to make future changes it deems appropriate. And, participation in these Plans is not a promise or guarantee of future employment.
- Together with the Retirement Plan Choice Personalized Statement, this guide is intended to satisfy the requirements of Section 204(h) of the Employee Retirement Income Security Act of 1974 (ERISA), which requires that participants be notified in writing of changes to their retirement plans.
- The descriptions of benefit options and Plans provided in this document are intended only to be summaries of certain provisions of the Plans. Notre Dame reserves the right to determine eligibility for all benefits and to interpret any and all terms of the retirement benefit plans. Notre Dame shall also have the power and discretion to determine all questions arising in connection with administration, interpretation, and application of the Plans.

