

Tax-Deferred Annuity (TDA) Plan For Salaried Paid Postdoctoral Scholars

To all “Salaried” paid Postdoctoral Scholars:

Postdoctoral Scholars, regardless of the percentage of your appointment, are eligible to contribute “salary” on a before-tax basis to the Stanford University Tax-Deferred Annuity (TDA) Plan. **No matching contributions are made on behalf of Stanford for anyone enrolled in the TDA.**

You are able to contribute to the TDA *only from income that you receive from the University as salary, not as stipend*. You may contribute any amount up to an annual limit of \$16,500 for the calendar year 2011. Higher limits apply to participants who will be 50 years old or more before the end of a calendar year. If you are not sure if your income is salary, stipend, or a combination of the two, you should consult with your Department Administrator or Payroll.

For those of you unfamiliar with a TDA, it is a defined contribution retirement plan in which you elect to contribute a percentage of your salary on a before-tax basis and invest it in one or more of the available investment options.

You may change your TDA payroll deduction election every pay period if you wish, when administratively possible, but changes need to be made by Noon on the 10th or the 25th (or the preceding business day if 10th or 25th is a holiday or weekend) to be effective in your next paycheck.

Here’s how the TDA works:

- **You must wait until you’ve received one salary paycheck before enrolling in the TDA via the Stanford Retirement Manager.**
- You elect to contribute a percentage of your regular salary to the TDA on a before-tax basis. Before-tax contributions are not treated as taxable income, so the Federal and State withholding on your paycheck is reduced, as well as the taxable income reported on your annual W-2.
- You invest your contributions among available investment options.
- As a participant, you accept all investment risk.
- Contributions and any investment earnings are sheltered from taxes until you take a distribution from the plan.
- You may take a loan from your TDA account balance, up to certain limits, while you are a Stanford University Postdoctoral Scholar.
- You may take a distribution from your TDA account when your Postdoctoral Scholar assignment at Stanford ends, or when you reach age 59-1/2. Generally, lump sum distributions taken from retirement plans before age 59 -1/2 and received directly by participants, as opposed to being rolled over directly to another eligible retirement plan, are subject to early withdrawal penalties.
- Balances from certain other retirement plans may also be transferred to the TDA if you wish to consolidate any other accounts.
- **VERY IMPORTANT!! Review your paystub every pay period to confirm your elections are appropriately deducted. If you encounter an issue with deductions not occurring, contact us immediately (see Stanford contacts below or reverse side).**

Here's how to enroll:

- Visit the **Stanford University Staff/Faculty Benefits website** at <http://benefits.stanford.edu>, click on the tab “**Retirement**” (brown header near top)
- On the left hand side, click on “**Retirement Manager Login**”
- Follow the instructions to set up

Before enrolling, you may wish to have in mind the percentage of your eligible salary you will contribute and the investment options you will choose. You may change these elections at any time. To decide how much you should contribute to the TDA, first consider your personal financial goals. If you need help, investment advice and counseling services are available. You can use the financial planning tools on the investment companies' web sites. Or, you can call to schedule an individual counseling session with a representative from Vanguard at 1-800-662-0106 ext. 14500 or TIAA-CREF at 1-800-842-2007. The Stanford Retirement Manager website has information on deciding your contribution percentages, contribution limits, investment options, and a link to an enrollment guide to assist you with your enrollment. You may also call 1-888-793-8733 and a Fidelity Retirement Services Specialist will help you enroll.

Individual Financial Counseling Appointments

To review your current and future retirement savings options, schedule an appointment with a representative from one of the plan's financial institutions. They can offer guidance on the best strategy to meet your retirement goals through Stanford's retirement savings plans.

To schedule an appointment:

- Contact the investment organization you would like to talk to
- Get an appointment confirmation
- Come to the meeting location at the time and date confirmed

TIAA-CREF Appointments

(800) 842-2007

www.tiaa-cref.org/services/meetings/index.html

Vanguard Appointments

(800) 662-0106 x14500

www.meetvanguard.com

Fidelity Appointments

(800) 642-7131

www.fidelity.com/atwork/reservations

Locations:

- Bambi Modular is located at 320 Panama Street
- Tresidder Memorial Union is located at 459 Lagunita Drive. The Juniper Room is upstairs next door to the Stanford Federal Credit Union office.

Quarterly Participant Fees:

Starting March 31, 2011, there will be a new, lower quarterly participant fee for the Stanford TDA and SCRP. The new fee is \$14.00, down from \$17.50. This fee pays for a portion of the plan administration and recordkeeping costs for your Stanford TDA and SCRP accounts. It is deducted from your account on the first business day of each quarter and appears on your quarterly statement under fees.

Please review Fidelity NetBenefits web site for additional information and the latest fee information.

Stanford Contacts

If you have any questions about the TDA or issues with your TDA, please contact Barbie Miller, Retirement Benefits Analyst at bmil@stanford.edu, Sandra DeGaine, Postdoctoral Scholar Health Care Benefits Manager at sdegaine@stanford.edu or Cecilia Avila, Postdoc Benefits Coordinator at cavila@stanford.edu.