

POLICY #5.35

SUBJECT: 401(a) Retirement Plan and Options

I. PURPOSE

The purpose of this Policy is to describe the University's 401(a) defined contribution, retirement plan and its options, and establish guidelines.

II. REFERENCES

N/A

III. DEFINITIONS

N/A

IV. POLICY

- A. The University 401(a) plan is a defined contribution retirement plan for faculty, professional staff and executive staff employees. The investment and retirement options are determined by the Utah Board of Higher Education, the University, and the retirement companies and are made available to employees to the extent authorized by the University.
- B. Retirement investment information is available from the Human Resources Office or directly from the individual retirement companies.
- C. The payout options at retirement or separation from service are governed by the following guidelines:
 - 1. All employees and former employees shall have equal access to the cashability option.
 - 2. Terminating employees may opt for the lump sum withdrawal option regardless of their age. However, distributions prior to age 59 ½ may be subject to a 10 percent IRS early withdrawal penalty.

D. General guidelines apply to the implementation of the retirement program and investment options.

1. Authorization by the Utah State Board of Higher Education or the University for eligible employees to select any available option does not imply endorsement by the Board of Higher Education or the University.
2. The University shall provide information to employees on retirement or investment options. However, University officials shall avoid giving individualized advice to employees and shall advise employees that they should consult with qualified attorneys, accountants, or financial advisers of their own choosing before making investment or retirement decisions.
3. Participation in these retirement funds, accounts, or options, or in any other authorized retirement fund or program is the responsibility of each individual participant. Each fund or option carries differing degrees of risk. Employees should read and understand the materials available from the retirement investment companies before selecting any investment or retirement options. Consultation with qualified attorneys, accountants, and financial counselors is advisable.

V. RELEVANT FORMS/LINKS

N/A

VI. QUESTIONS/RESPONSIBLE OFFICE

The responsible office for this Policy is the [Vice President for Finance](#). For questions about this Policy or retirement plans and options, contact the [Office of Human Resources](#).

VII. POLICY ADOPTION AND AMENDMENT DATES

Date Approved: July 27, 1990

Amended: March 22, 2007