

MIT 457(B) Deferred Compensation Plan Distributions IMPORTANT ACTION REQUIRED

KEEP THIS FORM FOR YOUR RECORDS

When you terminate employment with MIT, the IRS outlines specific distribution rules for certain 457(b) plans that are very different from other types of retirement plans you may be familiar with (e.g., 401(k), 403(b), public 457(b) plans). Federal regulations for non-ERISA private deferred compensation plans, such as your MIT 457(b) plan, require that upon termination:

You must proactively decide when and how to receive payment of your 457(b) account balance within the timeframe outlined by the plan (please see dates below).

Termination date	Deadline to return forms to TIAA in order to proactively defer payment
April 1 – September 30	November 30
October 1 – March 31	May 30

If you take no action, you will receive an immediate default distribution of a **taxable lump-sum payment** for your entire balance.

You must inform MIT and TIAA of any address changes after you terminate employment with MIT. Failure to keep MIT and TIAA informed of your address changes will result in a default **taxable** distribution of your **entire account balance** on your distribution date.

Process and Next Steps

1. Once TIAA receives your termination date, TIAA will mail you a distribution election package.
2. You must select from one of four distribution options; note that rollovers are not allowed. More details on the available options will be included in the distribution election package.
3. Select the date you want to receive/begin receiving the distribution, no later than the Required Minimum Distribution (RMD) age, currently age 72.
4. **To avoid receiving an immediate default lump sum distribution**, you must complete the appropriate forms and return them to TIAA by the date listed above. **If you do not receive a distribution package from TIAA within 30 days of termination, please contact TIAA at 800-842-2252.**
5. When TIAA receives your distribution election paperwork prior to the deadline, TIAA will send you a confirmation of your election selection, and additional forms to be completed if needed.
6. If you selected a future start date to receive payment, 60 days prior to that date TIAA will send the necessary forms based on the election you chose. These forms need to be completed and returned by the date indicated in the letter. **If TIAA does not receive the completed forms with your distribution election by the date indicated on the letter you will receive the default taxable lump sum distribution of your entire account balance on your distribution date.**
7. If you change your mind regarding your distribution election, you may change the income option election up to 30 days prior to the deferral date. Note: once elected the deferral date cannot be accelerated, and you will not be able to access your funds prior to that date. However, the plan does allow a one-time option to change the deferral date to a later (i.e., future) date, but no later than the RMD age (currently age 72).
8. Use the checklist on page two to record your initial election and your requested payment start date; we encourage you to retain this information, along with copies of your communications with TIAA, with your tax or other important documents.

If you have any questions regarding this process, please contact TIAA at 800-842-2252.

MIT 457(B) Deferred Compensation Plan Distribution Checklist

Below is a checklist to record your 457(b) distribution election decision. **Please note: this checklist does not replace the actual distribution forms that must be returned to TIAA.** The information below is to be used for recording your election.

I received my distribution election forms from TIAA on (date): _____

I returned my distribution election forms to TIAA on (date): _____

TIAA confirmed receipt of my election on (date): _____

I elected the following distribution method:

- Lump sum
- Fixed period annuity/fixed installment
- Lifetime annuity
- Required minimum distribution
- Transfer to another tax-exempt employer's eligible 457(b) deferred compensation plan where I am employed (if both the MIT Administrator and such other tax-exempt employer approve the transfer).

I selected the following distribution start date, which is no later than the Required Minimum Distribution (RMD) age, currently age 72: _____

NOTE: Approximately 60 days prior to the start date you selected, TIAA will send the necessary forms based on the election you chose. These forms need to be completed and returned by the date indicated in the letter. You must inform MIT and TIAA of any address changes after you terminate employment with MIT. Failure to keep MIT and TIAA informed of your address changes will result in a default TAXABLE distribution of your ENTIRE ACCOUNT BALANCE on your distribution date.

TIAA will send me the distribution forms by (date): _____

I returned my distribution forms on (date): _____

SPECIAL ADDITIONAL ELECTION: If you change your mind regarding your distribution election, you may change the **income option election** up to 30 days prior to the deferral date. Note: once elected **the deferral date cannot be accelerated**, and you will have no access to your funds prior to that date. However, the plan does allow a one-time option to change the deferral date to a later (i.e., future) date, but no later than the RMD age – currently age 72.

Please note, once payments begin, they are taxable to you as wages in the year you receive them and you cannot change the payment option you selected.

Special Additional Election, deadline for completion and receipt at TIAA: _____
