

From: [Raymond Duffy](#)
Subject: Important information regarding your 403(b) Retirement Savings Plan
Date: Thursday, May 14, 2020 2:52:02 PM

Dear Colleague,

As a follow up to Father Peter's e-mail to the community on Thursday, May 7, 2020, I am writing you to provide further clarification on the changes to the Villanova University Retirement Savings Plan the ("403(b) Plan" or "Plan"), for the next 12-months.

Effective as of June 1, 2020, Villanova University will temporarily reduce the University's base contribution to the 403(b) Plan by 20%. This means that if you have worked for the University for less than 10 years, your base contribution for the next 12-months will be reduced from 3.5% to 2.8%. If you have worked for the University for 10 years or more, your base contribution for the next 12-months will be reduced from 5% to 4%. Plan eligibility requirements still apply. This temporary reduction will not limit your ability to manage your account, investments, or change how and when you can access your money. In addition, you will continue to receive matching contributions on the first 5% of employee contributions into the 403(b) Plan once you have met the Plan's eligibility requirements.

It is important to note that these changes do not affect your ability to personally save for retirement through the 403(b) Plan, which IRS regulations allow you to contribute up to \$19,500 in 2020 if you are under age 50, or \$26,000 if you are age 50 or older.

If you wish to make changes to your 403(b) Plan contributions, please visit www.TIAA.org/Villanova or call TIAA at **800-842-2252**. Consultants are available weekdays from 8 a.m. to 10 p.m. and Saturday from 9 a.m. to 6 p.m. EDT.

The reduction in base contributions was made after thoughtful consideration around how to deal with the financial pressures at the University due to COVID-19 while looking to preserve jobs for the months of June and July. I recognize that the 20% reduction in base contributions is not ideal but during these unprecedented times, it is my hope that you can see that this change is in the best interest of the community as a whole.

You should also be aware that the University has adopted additional optional provisions to the 403(b) Plan under the Coronavirus Aid, Relief and Economic Security (CARES) Act, signed into law by the President on March 27, 2020. Generally, these additional provisions provide you with options in the event you need additional finances in the coming months. As always, we recommend reaching out to your TIAA financial consultant to review your current situation—along with short-and long-term financial goals—before making any decisions.

Specifically, Villanova University has adopted the following optional CARES Act provisions for the 403(b) Plan:

- Penalties and withholding are waived for early withdrawals from the 403(b) Plan, up to \$100,000, by participants under age 59½ who are diagnosed with COVID-19; whose spouse or

dependent is diagnosed with COVID-19; who experience adverse financial consequences as a result of being quarantined, furloughed, laid off, having work hours reduced, being unable to work due to lack of child care due to COVID-19, or other factors as determined by the Treasury Secretary. Participants can either pay tax on the income from the distribution over a three-year period or may repay that amount tax-free back into the Plan over the next three years. These repayments would not be subject to the retirement plan contribution limits. These provisions are currently set to expire on December 31, 2020.

- Maximum retirement plan loan limits have been increased from the lesser of \$50,000 or 50% of vested account balances to the lesser of \$100,000 or 100% of the vested account balance for loans made within 180 days of enactment of the CARES Act on March 27, 2020.
- Participants may choose to suspend required minimum distributions (RMDs) for 2020. This change allows participants to delay RMDs and avoid taking a distribution while the value of their investments is significantly reduced.

This notice serves as a **Summary of Material Modifications** to the 403(b) Plan, describing Plan changes. This Summary of Material Modifications supplements and updates the Summary Plan Description of the 403(b) Plan. You should keep this Summary of Material Modifications with the Summary Plan Description in your permanent records. The Villanova University Retirement Savings Plan will be amended accordingly.

If you have further questions regarding these changes, please contact the Villanova University Benefits department at benefitssupport@villanova.edu.

I wish you continued health and safety at this time.

Ray

Ray Duffy, M.S., SPHR, SHRM-SCP, CBP
Associate Vice President and Affirmative Action Officer
Human Resources

Villanova University

800 Lancaster Avenue
Villanova, PA 19085-1699
Phone: (610) 519-5135
Fax: (610) 519-6667