



## Cornell University Tax-Deferred Annuity Plan (TDA)

The Tax-Deferred Annuity (TDA) plan offers eligible employees a way to save more for their retirement income. Endowed and contract college employees who are on the university payroll with FICA deductions are eligible to participate in the TDA plan. Employees elect the amount or percentage that will be contributed to their account directly from their paycheck, before tax. Participating employees may select how the funds are allocated between TIAA and/or Fidelity and the type of funds in which to invest. All eligible employees are fully and immediately vested in their account balance once enrolled, meaning the money is yours to keep when you separate Cornell.

Visit [Fidelity](#) or [TIAA](#) to learn more about your investment options and how to enroll.

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### Contribution Limits

Generally, employee contributions cannot exceed the annual dollar limitation (\$19,000 for 2019). This limitation is determined by the IRS and may change annually.

If an employee will be age 50 prior to or before December 31<sup>st</sup>, additional money may be contributed (see chart below). Also, an employee of any age who has at least 15 consecutive years of service with the university *may* be eligible to contribute up to an addition \$3,000 and should check with [HR Services & Transitions Center](#).

#### 2019 Annual IRS Limits

	Maximum Annual Limit
Under Age 50	\$19,000
Age 50 and over	\$25,000

### How to Enroll and Change Contribution Allocations

Employees use Workday to select the amount or percentage they wish to contribute to their TDA account and who to invest with, either with [TIAA](#) and/or [Fidelity](#).

- Log into [Workday](#) > click on the Benefits button > Change: Benefits > choose Retirement Savings from the drop-down menu, enter today's date to hit the next possible paycheck (it may take 1-2 pay periods to settle in) > click Submit at the bottom > Open > Enter the amount or percentage you would like deducted from your paycheck (**Note:** do not enter 100% in this section) and which direction you would like Cornell to send your money (TIAA and/or Fidelity) > click Continue > review your elections, click Submit.

- Set up formal account(s) for your Tax Deferred Annuity (TDA) on the [TIAA](#) and/or [Fidelity](#) websites to designate

beneficiaries and investment fund allocations.

**What if an employee fails to set up an account?** Cornell contributions made on an employee's behalf will automatically be split evenly between a TIAA lifecycle fund and a Fidelity Freedom lifecycle fund, both based on the employee's date of birth on file.

## Investment Menu

You may choose to invest your funds in one or more of the following tiers:

Tier One: Lifecycle Funds	Also known as target date funds, lifecycle funds are designed to be a one-stop solution for retirement investing. Their investment strategy is linked to the employee's date of birth and expected date of retirement and grows more conservative over time. Lifecycle funds will be the default selection for employees who do not make an investment election when they enter the TDA plan. Cornell monitors these funds.
Tier Two: Core Funds	Core funds are building blocks for employees interested in creating their investment strategies. Cornell monitors and reviews these funds to help ensure they remain competitive and cost-effective. Cornell may modify the funds in the core menu based upon the results of these reviews.
Tier Three: Non-Core Funds	These funds are currently available to employees for investment but will not be monitored or reviewed by Cornell. It will be the employee's responsibility to determine if these funds are appropriate for his or her retirement account. From time to time Cornell may modify or remove non-core funds to the fourth tier described below.
Tier Four: Self-directed mutual fund brokerage account	Allows confident and knowledgeable employees to build a customized investment strategy using a broad array of mutual fund choices that are appropriate to retirement plan investing. Cornell will not monitor investments held in a self-directed brokerage account.

## Rolling Over Other Retirement Plans

Employees in the TDA Plan may be able to rollover their account balances from other retirement plans. Rollovers can be accepted from 401(k), 401(a), 403(a), 403(b), governmental 457(b), profit sharing, stock plans, and traditional IRAs. For more information or to obtain a rollover application, contact the investment vendor directly, [TIAA](#) and/or [Fidelity](#).

## Withdrawals

An employee is eligible to withdraw from their TDA account upon one of these events:

- Retirement: At least age 55 *and* at least 10 years of credited service
- Minimum Distribution: Age 70 1/2 and has not begun benefit distributions
- Death: Paid to designated beneficiary
- No longer employed by Cornell.

In-service distributions

- In-service withdrawal: age 59 1/2
- Minimum Distribution: age 70 1/2 (optional)
- Disability: Receiving university long-term disability benefits and/or receiving Social Security disability benefits. Distribution is limited to 99% of the employee's account balance once a year.
- Phased Retirement: Available for faculty and staff
- Loans: Available
- Hardship: Withdrawals only available for certain financial hardships

## Resources and Tools

Reduce waste and [sign up for electronic delivery](#).

- [Consumer Price Index](#) – Bureau of Labor Statistics website
  - [Investment Policy Statement \(pdf\)](#)
  - [TIAA Performance Summary](#)
  - [Fidelity Performance Summary \(pdf\)](#)
  - [TDA Adoption Agreement \(pdf\)](#)
  - [TDA Basic Document \(pdf\)](#)
  - [TDA Amendment for 2009 SRI and Staff Phased Retirement \(pdf\)](#)
  - [TDA Summary Annual Report](#)
  - [TIAA Contract Comparison Chart \(RA, SRA, GSRA\) \(pdf\)](#)
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