WKU RETIREMENT MANUAL

Plan now. Relax later

A Publication of the WKU Department of Human Resources

CLOSE YOUR EYES AND MAKE A WISH ABOUT YOUR FUTURE.

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Introduction to Retirement at WKU

Western Kentucky University offers a variety of savings and investment opportunities to assist with your retirement planning. In this booklet you will find an overview of the retirement options available to you as a WKU employee.

Mandatory Retirement Plans:

All full-time employees and certain part-time employees are required to participate in one of the following retirement plans. Plan participation depends on one's employment category:

Defined Benefit Plans — A defined benefit plan is qualified under Section 401(a) of the Internal Revenue Code and pays benefits based on a formula. Both the employee and the University contribute a percentage of salary to the applicable retirement system. Upon retirement, participants are eligible to draw a retirement allowance for life regardless of how much is contributed to the retirement system over one's career. The formula at full retirement is as follows:

Final Compensation x Benefit Factor x Years of Service Credit = Annual Benefit

University employees participate in one of the following Defined Benefit Plans:

- **KERS** — The Kentucky Employees Retirement System (KERS) is applicable for all positions that do not require certification or a 4-year college degree. Regular full-time employees must participate by law. Part-time employees who average 100 or more hours of work per month over a calendar or fiscal year must also participate.
- **KERS-H** — The Kentucky Employees Retirement System – Hazardous Duty Coverage (KERS-H) is applicable for any position whose principal duties involve active law enforcement, and as approved by the Retirement System.
- **KTRS** — The Kentucky Teachers' Retirement System (KTRS) is applicable for all positions that require either certification or graduation from a four year college or university as a condition of employment. All full-time faculty and professional staff meeting the eligibility criteria are covered by KTRS. Part-time employees who hold positions equal to 70% time or greater are also covered by KTRS.

As a symbol, the dandelion flower is the ultimate emblem for persistence and a strong will. It is also thought to represent wishes coming true, cheerful love, and general happiness.

Defined Contribution Plan — WKU's Defined Contribution Plan is qualified under Section 403(b) of the Internal Revenue Service and pays benefits based strictly on contributions and interest earned on those contributions. Both the employee and the University contribute a percentage of salary to the selected company for funding of the individual retirement accounts.

ORP — The Optional Retirement Plan (ORP) is available to those individuals who would otherwise be required to participate in the Kentucky Teachers' Retirement System (KTRS). Employees may elect the ORP as an alternative to KTRS. The providers of WKU's ORP are Fidelity, ING, TIAA-CREF and VALIC.

Supplemental Retirement Plans:

All employees working at least 20 hours per week are eligible to participate in WKU's supplemental retirement plan offerings. Employee participation in these plans is voluntary and includes employee contributions only. Plans are designed to provide a supplemental savings vehicle to the mandatory retirement plans outlined above. All supplemental retirement plans are qualified under Section 403(b), 457(b), or 401(k) of the Internal Revenue Code. Employees are eligible to participate in any of the following supplemental retirement plan types: 401(k), 403(b), ROTH 403(b), 457(b).

The following pages will provide a more thorough description of the plans mentioned above.

Kentucky Employees Retirement System (KERS) & Kentucky Employees Retirement System – Hazardous Duty Coverage (KERS-H)

Eligibility

KERS is applicable for all positions that do not require certification or a 4-year college degree. Regular full-time employees must participate by law. Part-time employees who average 100 or more hours of work per month over a calendar or fiscal year must also participate. KERS-H is applicable for any position whose principal duties involve active law enforcement.

Funding Sources

KERS and KERS-H benefits are funded through both employee and employer contributions. The contribution rates are set by state statutes. Contribution rates are higher for members with a participation date on or after September 1, 2008. Contribution rates are determined by the KRS Board of Trustees. Current contribution rates for employees and employers are as follows:

Applicable Retirement System	Employee Contribution (participation date prior to 9/1/2008)	Employee Contribution (participation date on or after 9/1/2008)	Employer Contribution
KERS	5%	6% (5% to member account & 1% to insurance fund)	19.82%
KERS - Hazardous	8%	9% (8% to member account & 1% to insurance fund)	28.98%

Service Retirement

Retirement eligibility is dependent on the member's age, years of service credit, participation date and type of service (non-hazardous or hazardous). See the table to the right for retirement eligibility criteria based on participation date and type of service:

Retirement Eligibility	KERS Non-Hazardous	KERS Hazardous
Requirements for Unreduced Retirement Benefit (member prior to 9/1/2008)	a) Age 65 or older, with at least 48 months of service credit, OR b) 27 or more years of service credit	a) Age 55 or older, with at least 60 months hazardous duty service credit, OR b) 20 or more years of service credit
Requirements for Unreduced Retirement Benefit (member on or after 9/1/2008)	a) Age 57 or older, if member's age and service equal 87, OR b) Age 65, with at least 60 months of service credit	a) Age 60 or older, with at least 60 months of service credit, OR b) 25 or more years of service
Requirements for Reduced Retirement Benefit (member prior to 9/1/2008)	a) 25, but less than 27, years of service, under age 65, OR b) Age 55, with at least 5 years of service credit	a) Age 50, with at least 15 years of service credit
Requirements for Reduced Retirement Benefit (member on or after 9/1/2008)	a) Age 60 or older, with at least 120 months of service credit	a) Age 50 or older, with at least 180 months of service credit

Determining Retirement Benefits

KERS and KERS-H are Defined Benefit Plans. A Defined Benefit Plan pays benefits based on a formula. The formula for calculation of retirement benefits is:

Final Compensation X Benefit Factor X Years of Service = Annual Benefit

Kentucky Employees Retirement System (KERS) & Kentucky Employees Retirement System – Hazardous Duty Coverage (KERS-H) Continued

Final Compensation

Applicable Retirement System	Final Compensation: (participation date prior to 9/1/2008)	Final Compensation: (participation date on or after 9/1/2008)
KERS	Average 5-highest or 3-highest years of salary	Average of last (not highest) five full fiscal years of salary
KERS - Hazardous	Average 3-highest years of salary	Average of highest three full fiscal years of salary

Benefit Factor

The benefit factors used to calculate retirement benefits are set by statute and vary depending on the type of service, amount of service, and both participation and retirement dates.

Benefit Factors: Participation date prior to 9/1/2008	
KERS: 1.97%	Does not have 13 months credit for 1/1/98 – 1/1/99
KERS: 2.0%	Has 13 months credit for 1/1/98 – 1/1/99
KERS – Haz. 2.49%	Only KERS members in hazardous duty position approved by Board are eligible

Benefit Factor: Participation date on or after 9/1/2008	
KERS Service Credit	Factor
< 120 months	1.10%
121 – 240 months	1.30%
241 – 312 months	1.50%
313 – 360 months	1.75%
> 360 months	2.00%
KERS - Haz. Service Credit	Factor
< 120 months	1.30%
121 – 240 months	1.50%
241 – 299 months	2.25%
> 300 months	2.50%

Years of Service

The years of service used to calculate retirement benefits may include current service, prior service, purchased service, and sick leave service.

The value produced by the retirement formula (final compensation X benefit factor X years of service) is divided by twelve to get a monthly payment under the Basic Option. Below is an example of how a monthly retirement allowance would be calculated:

> John Doe works in a Non-hazardous position and participates in KERS (hired prior to 9/1/2008). He is retiring August 1, 2011 with Final Compensation of $30,000 and 27 years of Service Credit. In John's case, his retirement benefit totals:
>
> $16,200 per year ($1,350 per month)
>
> $30,000 X 2.0% X 27 years = $16,200 annual benefit allowance

Reciprocity of Systems

Members who have established membership and maintained active accounts in more than one state-funded retirement system (the Kentucky Employees' Retirement System (including KERS-Hazardous), the County Employees' Retirement System, the State Police Retirement System, the Legislators' Retirement Plan, the Judicial Retirement System, or the Kentucky Teachers' Retirement System) may determine their eligibility for retirement benefits by combining service credit in all systems.

Survivor Benefits

Several survivor benefit options are available to members whose death occurs before retirement and for members whose death occurs after retirement. There is also a $5,000 death benefit for retirees.

Health Care Coverage

Upon retirement, benefit recipients (including disability benefits and survivor benefit recipients) and their dependents are eligible for access to optional health care coverage with KERS. Members with a participation date between July, 2003 and August 31, 2008 are eligible after earning 120 months of service. Members with a participation date on or after September 1, 2008 must have at least 180 months of service to be eligible for the health care coverage with KERS.

Kentucky Teachers' Retirement System (KTRS)

Kentucky Teachers' Retirement System (KTRS)

Eligibility

All WKU full-time faculty and professional staff occupying positions requiring certification or graduation from a four-year college or university as a condition of employment are covered by KTRS. Part-time employees who hold positions equal to 70% time or greater are also covered by KTRS.

Funding Sources

KTRS benefits are funded through both employee and employer contributions. The contribution rates are set by state statutes. Contribution rates determined by the KRS Board of Trustees. Current contribution rates for employees and employers are as follows:

Employee:

- 6.5% (7.16% if participating on or after 7/1/2008)

Employer:

- 14.18% (14.84% if participating after 7/1/2008)

Service Retirement

Participants are eligible to retire:

- at any age with twenty-seven (27) years of service;
- at age sixty (60) with at least five (5) years of service;
- at age fifty-five (55) with at least ten (10) years of service with a six (6) percent reduction for each year under age sixty (60) or under twenty-seven (27) years, whichever is the lesser number.

Determining Retirement Benefits

KTRS is a Defined Benefit Plan qualified under Section 401(a) of the Internal Revenue Code and pays benefits based on a set formula. Both the employee and the University contribute a percentage of salary to KTRS. Upon retirement, participants are eligible to draw a retirement allowance for life regardless of how much is contributed to the retirement system over one's career. The formula for full service retirement is as follows:

Final Compensation X Benefit Factor X Years of Service = Annual Benefit

Final Compensation

KTRS final average salary is based on the five (5) highest annual salaries, or three (3) highest if you qualify, regardless of the system under which the service was rendered.

Benefit Factor

Participants are eligible for a retirement factor of 2.0% for each year of service in KTRS.

Years of Service

The years of service used to calculate retirement benefits may include current service, prior service, purchased service, and up to a maximum of six (6) months of sick leave service.

Vesting

The member is vested after five (5) years of service. "Vesting" simply means that the member has earned the right to a future retirement benefit.

Reciprocity of Systems

Members who have established membership and maintained active accounts in more than one state-funded retirement system may determine their eligibility for retirement benefits by combining service credit in all systems.

Survivor Benefits

Survivor benefits are available to member's beneficiaries. There is a $2,000 death benefit provided for active members and a $5,000 benefit for retirees.

Health Care Coverage

Upon retirement, benefit recipients (including disability benefits and survivor benefit recipients) and their dependents are eligible for access to optional health care coverage with KTRS. Members with a participation date on or after September 1, 2008 must have at least fifteen (15) years of service to be eligible for the health care coverage with KTRS.

KTRS Medical Insurance Fund

Effective July 1, 2010 most active members in KTRS will contribute an additional amount to the KTRS Medical Insurance Fund and this rate will gradually increase over a six-year period.

Member Before 7/1/08

Effective date	Employee	Employer Contribution
July 1, 2011	6.50%	14.18%
July 1, 2012	6.84%	14.52%
July 1, 2013	7.16%	14.84%
July 1, 2014	7.68%	15.36%
July 1, 2015	8.815%	15.865%

Member on or after 7/1/08

Effective Date	Employee	Employer Contribution
July 1, 2011	7.16%	14.84%
July 1, 2012	7.16%	14.84%
July 1, 2013	7.16%	14.84%
July 1, 2014	7.68%	15.36%
July 1,2015	8.815%	15.865%

Optional Retirement Plan (ORP)

ORP (Optional Retirement Plan)

Eligibility — The ORP is available to those individuals who would otherwise be required to participate in the Kentucky Teachers' Retirement System (KTRS). Employees may elect the ORP as an alternative to KTRS, only upon initial employment.

Funding Sources — The ORP is a Defined Contribution Plan qualified under Section 403(b) of the Internal Revenue code and pays benefits based strictly on contributions and interest earned on those contributions. Both the employee and the University contribute a percentage of salary to the selected provider for funding the employee's individual retirement account.

Contributions to the ORP are currently fixed at:

- 6.16% from the member
- 8.74% from the University

Although the University contributes to ORP accounts, the benefits payable to the participants are not the obligation of the University, Commonwealth of Kentucky, or the Kentucky Teachers' Retirement System. The benefits and other rights of the ORP are the liability and responsibility of the participant and the designated companies to which contributions have been made. Participants may transfer between the ORP providers as desired. The providers of WKU's ORP are Fidelity, ING, TIAA-CREF, and VALIC.

Vesting – The member is immediately vested.

Important Information About Selecting Your Retirement Plan

Retirement plan selection between KTRS and the ORP must be made within the first thirty (30) days of employment. If no election is made, the employee is automatically enrolled in KTRS.

Choosing KTRS: Retirement plan selection in KTRS is irrevocable.

Choosing the ORP: An employee who has elected the ORP as his/her retirement plan may make a one time, lifetime change and elect to participate in KTRS. When such election is made, membership in KTRS is effective the first of the month following receipt by KTRS of the employee's membership application.

NOTE: Employees who switch from the ORP to KTRS may purchase prior service credit for the period they participated in the ORP. This purchase must be completed within the first six years and six months of employment.

The chart on page 6 outlines the differences between KTRS and ORP.

Retirement Manager

WKU's ORP and Supplemental Retirement Plan enrollment and salary deferral change process is paperless through a web-based portal called Retirement Manager. Retirement Manager provides on-line plan enrollment and salary deferral change capabilities across all ORP, 403(b), ROTH 403(b), 401(k) and 457(b) vendors.

If you are interested in opening a retirement account, wish to make changes to an existing deferral election or switch to a different vendor, you will need to access this website to do so. A brief on-line tutorial will assist you with logging into the system for the first time as a new user and how to enroll or make changes to an existing account. The link to Retirement Manager can be found on the HR website on the Retirement webpage.

Supplemental Retirement Offerings

All employees working on average at least 20 hours per week are eligible to participate in WKU's supplemental retirement plan offerings. Employee participation in these plans is voluntary and includes employee contributions only. Plans are designed to provide a supplemental savings vehicle to the mandatory retirement plans outlined in the previous pages. All supplemental retirement plans are qualified under Section 403(b), 457(b), or 401(k) of the Internal Revenue Code.

Contributions to the plan are made through payroll deduction and may be invested in any of the following investment vehicles: 401(k), 403(b), ROTH 403(b), or 457(b).

Customary contributions to 403(b), 457(b) and 401(k) plans are made on a "pre-tax" basis. Contributions and investment earnings accumulate tax-free but will be taxed as ordinary income upon withdrawal. Employees also have the option to make contributions on an "after-tax" basis through the ROTH 403(b) option. If you make "after-tax" ROTH contributions your investment earnings will accumulate tax-free and will be considered tax-free at the time of withdrawal as long as your withdrawal is qualified.

The chart on page 7 outlines the main differences in the four types of supplemental retirement plans available at WKU and the annual contribution limits for the 2011 calendar year.

DEFINED BENEFIT VS. DEFINED CONTRIBUTION
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) VS. OPTIONAL RETIREMENT PLAN (ORP)

	DEFINED BENEFIT PLAN Kentucky Teachers' Retirement System (KTRS)	DEFINED CONTRIBUTION PLAN Optional Retirement Plan (ORP)
Vendors	KTRS	Members can elect from four retirement vendors: • Fidelity • ING • TIAA-CREF • VALIC
Service Retirement	Eligible at any age with 27 years of service; age 60 with 5 years of service. Reduced benefit retirement if fifty-five (55) or more but less than age sixty (60) who have ten (10) or more years of service, but less than twenty-seven (27) years of service. Upon retirement, participants are eligible to draw a retirement allowance for life regardless of how much is contributed to the retirement system over one's career. The formula at full retirement is as follows: Final Compensation x Benefit Factor x Years of Service Credit = Annual Benefits Contributions to KTRS are currently fixed (for membership on or after 7/1/08) at: • 7.16% from the employee • 14.84% from the employer	Eligible to withdraw funds at age 59 1/2. Income at retirement is based on the value of the member's account. Contributions to the ORP are currently fixed at: • 6.16% from the employee • 8.74% from the employer
Vesting	Employee is vested after 5 years of service	Employee is immediately vested
Investment Allocation Decisions	Made by KTRS financial and investment professionals	Each employee makes all investment allocation decisions for his/her account
Investment Risk and Reward	Employee assumes no investment risk	Investment risk is assumed entirely by the employee. All gains or losses accrue to the member's account.
Inflation Protection/COLA	Annual 1.5% cost-of-living adjustments after retirement	Automatic cost-of-living adjustments are not provided
Benefit Portability	Upon separation from employment, members are eligible to withdraw their contributions. Employer contributions are not eligible for withdrawal. Account withdrawals are paid as lump-sum distributions, part of which may be taxable at the time of withdrawal, or may be rolled over to an IRA, an eligible employer plan or another qualified plan. Member is no longer eligible for KTRS service retirement once account is withdrawn.	Upon separation from employment, members are eligible to withdraw the full value of their account. Both employee and employer contributions and the gains or losses on those contributions are eligible for withdrawal. Account withdrawals are paid as lump-sum distributions, part of which may be taxable at the time of withdrawal, or may be rolled over to an IRA, an eligible employer plan or another qualified plan.
Disability Benefits	After 5 years of service, members are eligible to apply for disability benefits under the disability allowance program.	Account balance is available to members who terminate employment and withdraw their account.
Death and Survivor Benefits	Qualified survivors are eligible to receive benefits. A $2,000 life insurance benefit is also provided to active members plus $5,000 to retirees. Visit www.ktrs.ky.gov for specific details regarding death and survivor benefits	Account balance available to beneficiaries. A spouse may continue to manage the member's account or withdraw the account.
Health Care Coverage	Upon attaining retirement status, individuals (including disability benefit recipients and survivor benefit recipients) and their dependents are eligible for access to optional health care coverage with KTRS.	Healthcare coverage is NOT available to retirees.
Traditional Method of Payment at Retirement	A lifetime annuity. Several different payment plans to protect survivors are available.	Members can take payment through a rollover, a lump-sum withdrawal or a variety of lifetime annuities.

NOTE: The information provided on this chart is based on current rates, factors, and laws - all of which are subject to change.

SUPPLEMENTAL RETIREMENT PLAN COMPARISON CHART

	403(b)	ROTH 403(b)	401(k)	457(b)
2011 ANNUAL IRS CONTRIBUTION LIMIT	402(g) Limit: Participant elective deferrals limited to $16,500 for 2011 NOTE: This limit applies to elective deferrals made to all 403(b) and/or 401(k) plans in which an individual participates		402(g) Limit: Participant elective deferrals limited to $16,500 for 2011 NOTE: This limit applies to elective deferrals made to all 403(b) and/or 401(k) plans in which an individual participates.	Total contributions limited to $16,500 for 2011. NOTE: This limit is separate from the limits applicable to a 403(b) plan and a 401(k) plan.
2011 ANNUAL IRS CATCH-UP CONTRIBUTION PROVISION	1.Participants who have 15 or more years of service with a qualified employer may contribute additional elective deferrals in an amount of $3,000. 2.Participants age 50 or older, who have maxed out on their contributions under other limits, may contribute additional elective deferrals in an amount equal to $5,500 for 2011. NOTE: A participant employed by a governmental institution may take advantage of two age 50 catch-ups, one through a 403(b) or 401(k) plan, and one through a 457(b) plan.		Participants age 50 or older, who have maxed out on their contributions under other limits, may contribute additional elective deferrals in an amount equal to $5,500 for 2011. NOTE: A participant employed by a governmental institution can take advantage of two age 50 catch-ups, one through a 403(b) or 401(k) plan, and one through a 457(b) plan.	1.For Governmental institutions, participants age 50 or older, who have maxed out on their contributions under other limits, may contribute additional elective deferrals in an amount equal to $5,500 for 2011. NOTE: A participant employed by a governmental institution can take advantage of two age 50 catch-ups, one through a 403(b) or 401(k) plan, and one through a 457(b) plan.
DISTRIBUTABLE EVENTS	Separation from employment, age 59 ½, disability, death or financial hardship (with respect to elective deferrals, not including earnings, only).		Separation from employment, age 59 ½, disability, death or financial hardship (with respect to elective deferrals, not including earnings, only).	Separation from employment, age 70 ½, death, or unforeseeable emergency.
TAXATION	When distributed to the participant.	When contributed to the plan. NOTE: Income taxes are payable on non-qualifying withdrawals from Roth account earnings. Federal restrictions and tax penalties may apply to withdrawals made prior to attainment of age 59 ½.	When distributed to the participant.	When distributed to the participant.
EARLY DISTRIBUTION TAX	Amounts withdrawn prior to attainment of age 59 ½ are subject to additional 10% early withdrawal tax, except for certain exceptions:1) Death 2) Disability 3) Series of substantially equal periodic payments after separation from service 4) Deductible medical expenses 5) Tax levy 6) Separation from service after attainment of age 55 7) QDRO 8) Qualified reservist distribution	Roth 403(b) accounts are subject to minimum required distribution rules; However, rolling a Roth account into a Roth IRA prior to age 70 ½ might avoid this requirement.	Amounts withdrawn prior to attainment of age 59 ½ are subject to additional 10% early withdrawal tax, except for certain exceptions: 1) Death 2) Disability 3) Series of substantially equal periodic payments after separation from service 4) Deductible medical expenses 5) Tax Levy 6) Separation from service after attainment of age 55 7)QDRO 8)Qualified reservist distribution	Early distribution tax does not apply. NOTE: For governmental institutions, if the 457(b) plan contains rollover amounts from a 403(b) plan or a 401(k) plan, then those amounts are subject to the early distribution tax.

This document is meant to serve as a reference guide only.
For official information on specific retirement plan rules and regulations, please refer to the applicable code of the Internal Revenue Service, your personal financial advisor or retirement plan vendor.

Glossary

Glossary of Terms

Defined Benefit Plan — An employer-sponsored retirement plan for which retirement benefits are based on a formula indicating the exact benefit that one can expect upon retiring. Investment risk and portfolio management are entirely under the control of the plan.

Defined Contribution Plan — A retirement plan wherein a certain amount or percentage of money is set aside each year for the benefit of the employee. Retirement benefits cannot be pre-determined in advance as they are determined by contributions and investment earnings (or losses) over time.

Retirement Vendor — The outside company which offers and administers the specific plans and invests contributions into the funds selected.

Asset Allocation — The process of dividing a portfolio among major asset categories such as bonds, stocks or cash. The purpose of asset allocation is to reduce risk by diversifying the portfolio. The ideal asset allocation differs based on the risk tolerance of the investor. For example, a young executive might have an asset allocation of 80% equity, 20% fixed income, while a retiree would be more likely to have 80% in fixed income and 20% equities.

Salary Reduction Agreement — Authorization for the University to reduce your salary to allow for the purchase of a supplemental retirement benefit on your behalf and to remit the designated amounts each pay period to the investment company or companies indicated on the form.

Tax Sheltered — Any financial arrangement (as a certain kind of investment or allowance) that results in a reduction or elimination of taxes due.

Tax Deferred — Refers to investment earnings such as interest, dividends or capital gains that accumulate free from taxation until the investor withdraws and takes possession of them. The most common types of tax-deferred investments include those in individual retirement accounts (IRAs) and deferred annuities, such as a 403(b).

Roth 403(b) — Contributions to a Roth 403(b) are subject to up front income tax withholding while distributions from a Roth 403(b) are tax-free for federal income tax purposes provided they are qualified distributions.

Traditional 403(b) — Contributions to a traditional 403(b) are not subject to federal income tax withholding; distributions from a traditional 403(b) are taxed at ordinary income tax rates in the year the money is received.

Compound Interest — Interest computed on the original principal plus any accrued interest. Thus if 5% is the rate of interest per year and the principal is $1000, the compound amount after one year will be $1050, after two years it will be $1050 × 0.05 = $1102.50, after three years it will be $1102.50 × 0.05 = $1157.63, and so forth. The growth of the compound amount is exponential and not linear.

The Power of Compounding Interest

The best way to ensure your future financial success is to start saving today. The amount of money you start with is not nearly as important as getting started early. Every year you put off investing makes your ultimate retirement goals more difficult to achieve.

To Make Compounding Work For You — Start early. The younger you start, the more time compounding has to work in your favor, and the greater wealth you can build. The next best thing to starting early is starting now.

Make regular investments. Don't be haphazard. Remain disciplined, and make saving for retirement a priority. Do whatever it takes to maximize your contributions. Be patient. Do not touch the money. Compounding only works if you allow your investment to grow. The results will seem slow at first, but persevere. Most of the magic of compounding returns comes at the very end.

The following chart shows that waiting just five years may cost you more than you may think.

Beginning Age	Acct. Balance at age 65	Years lost by waiting	Lost Earnings
25	$702,856	0	$0
30	$461,835	5	$241,021
35	$300,059	10	$402,797
40	$191,473	15	$511,383
45	$118,589	20	$584,267
50	$69,669	25	$633,187
55	$36,833	30	$666,023
60	$14,793	35	$688,063

*This illustration assumes a $200 monthly contribution that earns interest at 8%.

Other Important Things to Know About Your Retirement Plans at WKU

Who to contact when you need help:

Call the WKU Benefits Office (270-745-5346) if:

- You are checking on your eligibility to participate in a retirement plan
- You want to know how to enroll
- You want to know your voluntary limit for the calendar year
- You need help logging on or using Retirement Manager, the online retirement portal
- You would like to make an appointment with WKU's retirement officer

Call Your designated retirement carrier if:

- You want to change fund allocations with a carrier
- You would like a prospectus on individual funds
- You want to transfer money from one retirement carrier to another retirement carrier
- You would like to set up one-on-one retirement counseling for investment advice
- You would like to check on your account balance
- You want to change your beneficiary on your retirement account
- You would like a pre-retirement benefit illustration

Understanding Your options if you leave WKU

Should you leave employment with WKU prior to your retirement eligibility date, you'll want to ensure that you have the right strategy to keep your savings on track. It is important to review your options regarding WKU retirement accounts and understand the advantages and disadvantages of each option. Upon separation from service, the following options for your WKU retirement savings plan may be available to you:

- Leave your money in your current account
- Move it to a rollover IRA
- Move it to your new employer-sponsored plan
- Take it in cash

Each option contains different advantages and tax implications. It is important to contact your respective retirement carrier to discuss how the options will impact you.

WKU RETIREMENT VENDOR DIRECTORY

A list of all vendors administering WKU retirement plan offerings:

Vendor	Retirement Plan	Address	Main Phone/Fax	Website	Contact a Representative
Kentucky Retirement System	KERS KERS-Haz	Perimeter Park West 1260 Louisville Road Frankfort, KY 40601	Ph: 1-800-928-4646 Fax: 502-564-9198	www.kyret.com	Wes Farley
Kentucky Teachers' Retirement System	KTRS	479 Versailles Road Frankfort, KY 40601	Ph: 1-800-618-1687 Fax: 502-848-8599	www.ktrs.ky.gov	Steve Fouts
VALIC	ORP 403(b) Roth 403(b) 457(b)	8425 Pulsar Place Suite 360 Columbus, OH 43240	1-800-892-5558	www.valic.com	Maclynn Scott: 502-295-2400
Fidelity	ORP 403(b) Roth 403(b) 457(b)	PO Box 77000 Cincinnati, OH 45277	1-800-343-0860	www.fidelity.com/atwork	Roger Trapp: 866-503-4845
The Hartford	403(b) Roth 403(b) 457(b)	P.O. Box 1583 Hartford, CT 06102	1-800-255-2464	www.thehartford.com	Edward Jones/Matt Idlett: 270-781-2305 Hilliard Lyons/Shannon Vitale: 270-781-1691
ING	ORP 403(b) Roth 403(b) 457(b)	1700 Lyons Road Suite D Dayton, OH 45458	1-800-451-4702	www.ing.com	Matt Idlett: 270-781-2305
TIAA-CREF	ORP 403(b) Roth 403(b) 457(b)	Six Concourse Pkwy. Suite 2600 Atlanta, GA 30328	1-800-842-2003	www.tiaa-cref.org	Pat Long: 866-842-2992
KY Public Employees Deferred Compensation Authority	401(k) 457(b)	2501 Georgetown Rd. Suite 1 Frankfort, KY 40601	1-800-793-4401	www.kentuckydcp.com	Garvis Campbell: 1-800-793-4401 Option 4 x 1172004

Questions? Contact a member of the Benefits Team:

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270-745-5346

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The information provided in this retirement guide is effective as of July 1, 2011. Retirement information is largely determined by current legislation and is subject to change as new laws are passed. This document is not intended to be comprehensive in nature. It only serves as a general guide for employee reference. Rights and benefits are governed by the official plan documents of WKU and each retirement vendor.

WKU Department of Human Resources