

Your Retirement Plan at Duke

EXEMPT EMPLOYEES

Sept 2023

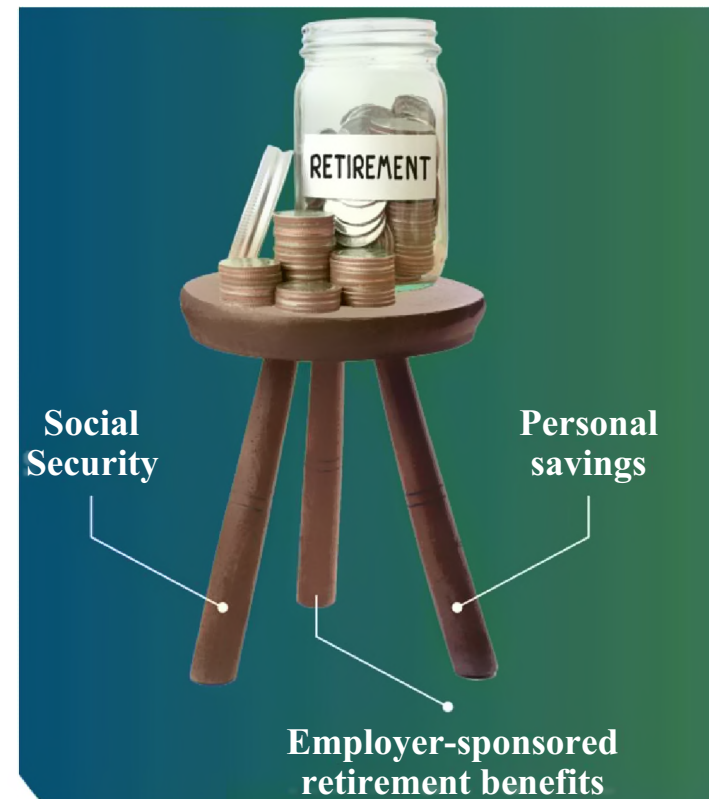


Agenda

- **Duke 403(b) Plan:** Faculty & Staff Retirement Plan
 - What is the Faculty and Staff Retirement Plan?
 - Why should I participate?
- **Planning for the future**
- **Q&A Session**

Where Will Your Money Come From When You Retire?

- Social Security
- Personal Savings
- Employer Retirement Plans



Have You Ever Transferred from One Payroll to Another at Duke?

Biweekly



Monthly

- May be entitled to a benefit under the Employees' Retirement Plan (ERP) for employees paid biweekly
- If entitled to a benefit, this benefit is calculated using years of service and compensation while paid biweekly

Pension Plan Projection on Duke@Work (ERP Employee Self-Service Tool)

Allows Participants to:

- ^ Generate an Estimate of ERP Benefit
- Review Retirement Planning Resources
 - SPDs for ERP and Faculty & Staff Retirement Plan
 - Duke Retiree Health
 - Duke Retirement Planning Guide
 - Link to Social Security Website
- Review Personal Information
 - Updated After Every Pay Period

The screenshot shows the Duke@Work Pension Plan Projection tool interface. At the top is the Duke logo and a navigation bar with links: HOME, PERSONAL INFORMATION, RETIREMENT PLANNING, and RESOURCES. Below the navigation bar is a large image of a Duke University building at sunset. The main content area is titled "Retirement Modeling" and contains four tiles: "Retirement Milestones" (calendar icon), "Benefit Estimate" (house and arrow icon), "Frequently Asked Questions" (document icon), and "Past Calculations" (piggy bank and calculator icon). To the right of the tiles is a welcome message: "Welcome to the pension estimator tool for participants of Duke's Employees' Retirement Plan (ERP). The ERP is a pension plan for employees paid on the biweekly payroll. It is designed to provide you with a guaranteed monthly income at your retirement and is funded entirely by Duke." Below this is a "General Information" section with a link to "Documents & Links" and a description of the Duke University Faculty Mid Stage Retirement Plan. At the bottom, there is a "Questions:" section with contact information for the Duke Human Resources Information Center (HRIC) at (919) 684-5600 or via email at atbenefits@duke.edu. The footer contains copyright information: "© 2020 Back Global LLC All rights reserved." and links to "Terms of Use", "Privacy Statement", and "System Requirements".



Duke Faculty and Staff Retirement Plan



Who can participate in the 403(b) Plan?

- All employees - monthly and biweekly - can participate with voluntary contributions (enroll anytime on Duke@Work)
 - IRS Maximum Contribution for 2023 = \$22,500 per year
 - Catch-up Contribution if over age 50 = \$7,500 per year
 - 403(b) Lifetime Catch-up Limit = up to \$3,000 per year
- This plan allows you to control your savings for retirement
- Duke offers access to a range of investment options
- Ability to roll over eligible balances from a previous employer

Pre-Tax vs. Roth Option



Save



Tax
advantages

Gross Pay



Traditional

Pre-Tax Contributions



Net Pay Tax



Roth

After-Tax Contributions



A distribution from a Roth 403(b) is tax free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, or death.



Who is eligible to receive Duke's contribution?

- Eligible employees paid monthly receive a Duke contribution upon:
 - ^ Completion of one year of service
 - ^ Attainment of age 21
- One-year wait can be waived if certain conditions are met.
 - Visit: hr.duke.edu/servicewaiver

Duke Contribution for Eligible Salaried Employees Paid Monthly

Effective January 1, 2023,
the Duke contribution is:

*8.9% of the first \$74,050 of salary and
13.2% of annual salary in excess of \$74,050,
up to a statutory salary limit of \$330,000*

Example with \$7,500 monthly salary (\$90,000 annually)

Duke Contribution Percent	Multiplied by 2023 Monthly Salary	EQUALS: Monthly Duke Contribution
8.9%	\$6,170.83	\$549.20
13.2%	\$1,329.17	\$175.45
Total	\$7,500.00	\$724.65



*Duke's contribution formula is
determined each year and published
at: hr.duke.edu/dukecontribution*

What is Vesting?

- You are 100% vested in your employee voluntary contributions
- You will be 100% vested in Duke's contribution upon:
 - ^ Completion of three years of service
 - ^ Attainment of age 65 while employed by Duke
 - ^ Hired after age 65
 - ^ Death while employed by Duke
 - ^ Approval for long term disability under the Duke LTD Plan
 - ^ Hired before Jan. 1, 2012



100% vested



0% -100%
vested

Investment Options

Investments are grouped by tier. Duke has an **Investment Advisory Committee (IAC)** that selects funds for the plan that are regularly monitors funds in Tier 1 and Tier 2. The IAC does not monitor accounts and Duke is not responsible for any losses or lack of gains of the funds

Tier 1: Target Date Funds

- Target Date Funds offer a way to make a single choice based on your expected years to retirement

Tier 2: Core Funds

- Core Funds represent the primary asset classes and have been chosen based on their suitability for inclusion in a customized retirement portfolio

Tier 3: Self-Directed Brokerage Account

- The Self-Directed Brokerage option is a self-directed brokerage account, with access to over 11,000 mutual funds and investment choices. Additional fees may apply.

What to consider when investing for retirement?

How much you will need in retirement

Fund diversification

Asset allocation

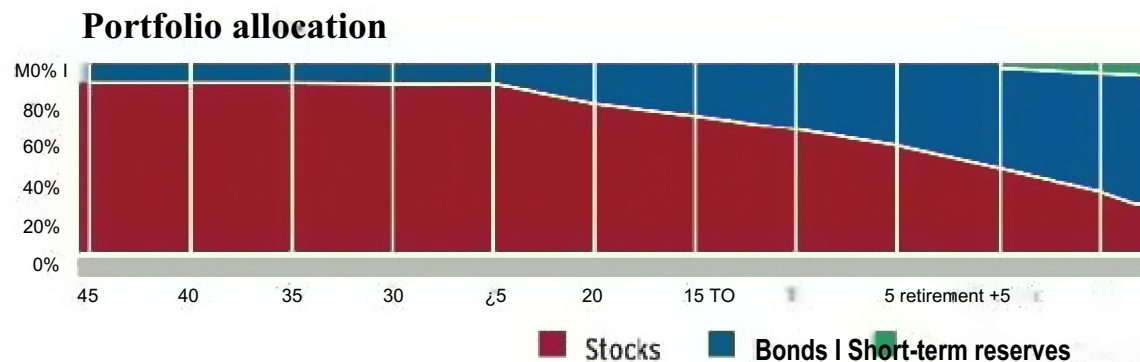
Time
Horizon

Tolerance
of Risk

Tax
diversification

Tier 1: Target Date Funds

- The Target Retirement Funds offer a way to make a single choice based on your expected years to retirement
- Each Fund includes a diversified mix of stocks, bonds and short-term instruments that change automatically over time
- ***Default Investment Option*** -If you do not select an investment, your contributions will be invested in the Target Fund closest to your 65th birthday



- Examples:
 Vanguard Target Retirement 2025
 Vanguard Target Retirement 2030
 Vanguard Target Retirement 2040
 Vanguard Target Retirement 2045
 Vanguard Target Retirement 2050
 Vanguard Target Retirement 2065

Tier 2: Core Funds

- These funds represent the primary asset classes and have been chosen based on their suitability for inclusion in a customized retirement portfolio
- This option may be good if you are more comfortable diversifying your own investments
- Examples:

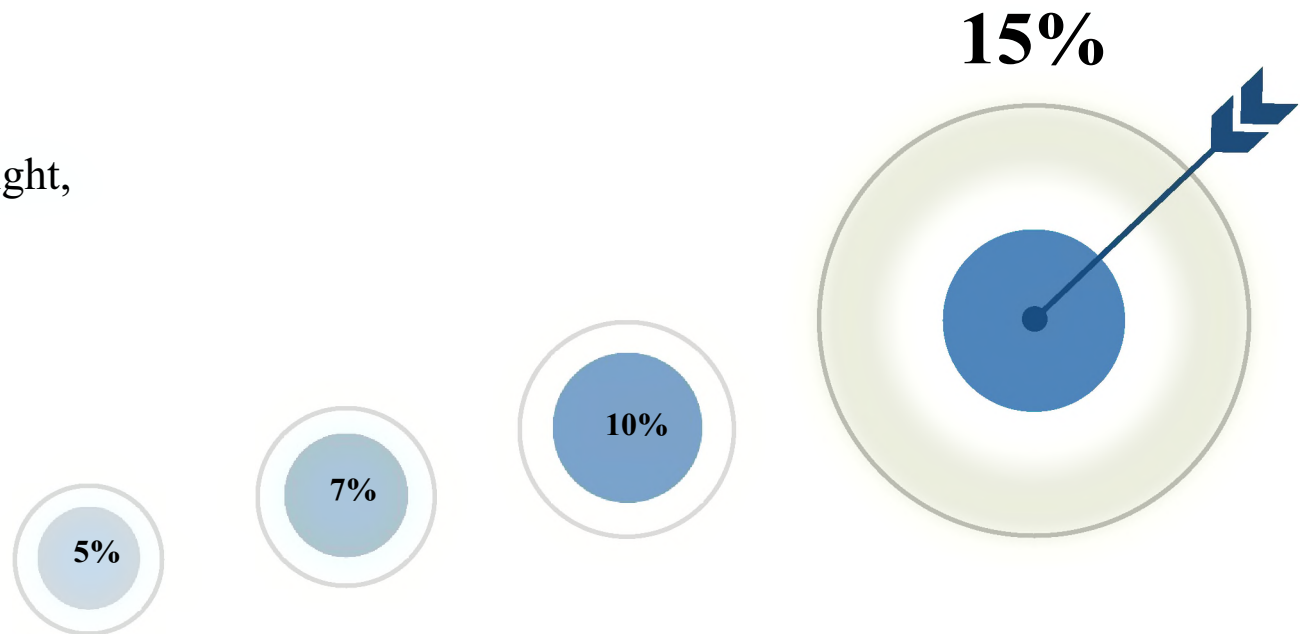
Stable Value Fund	VALIC Fixed Interest Option
Multisector Bond Fund	PIMCO Income Instl
Large Growth Fund	Vanguard PRIMECAP Adm
Mid-Cap Blend Fund	Vanguard Extended Market Index
Small Value Fund	Fidelity Small Cap Value
Foreign Large Blend	American Funds Europacific Growth



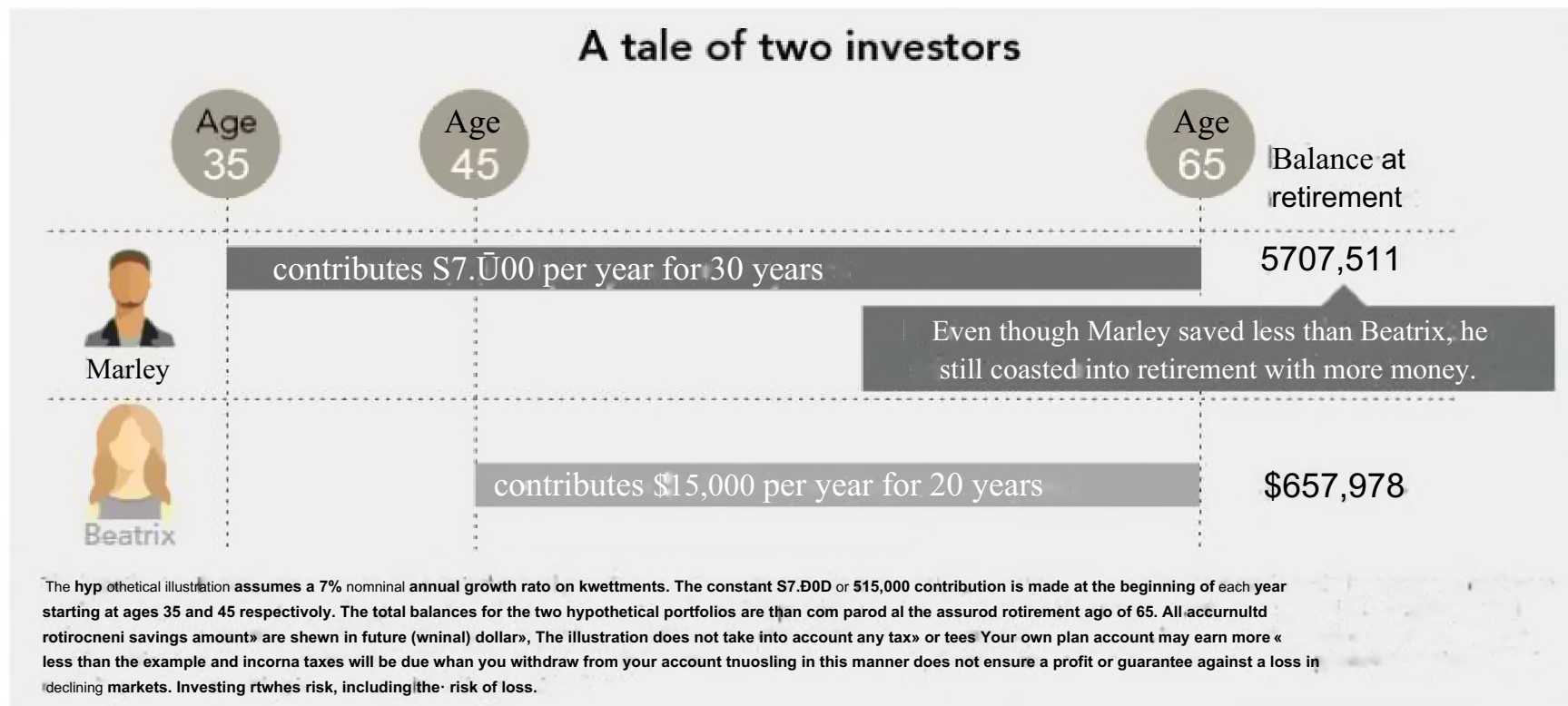
Aim to Save



Few people get there overnight,
so think of planning for
retirement as a journey.



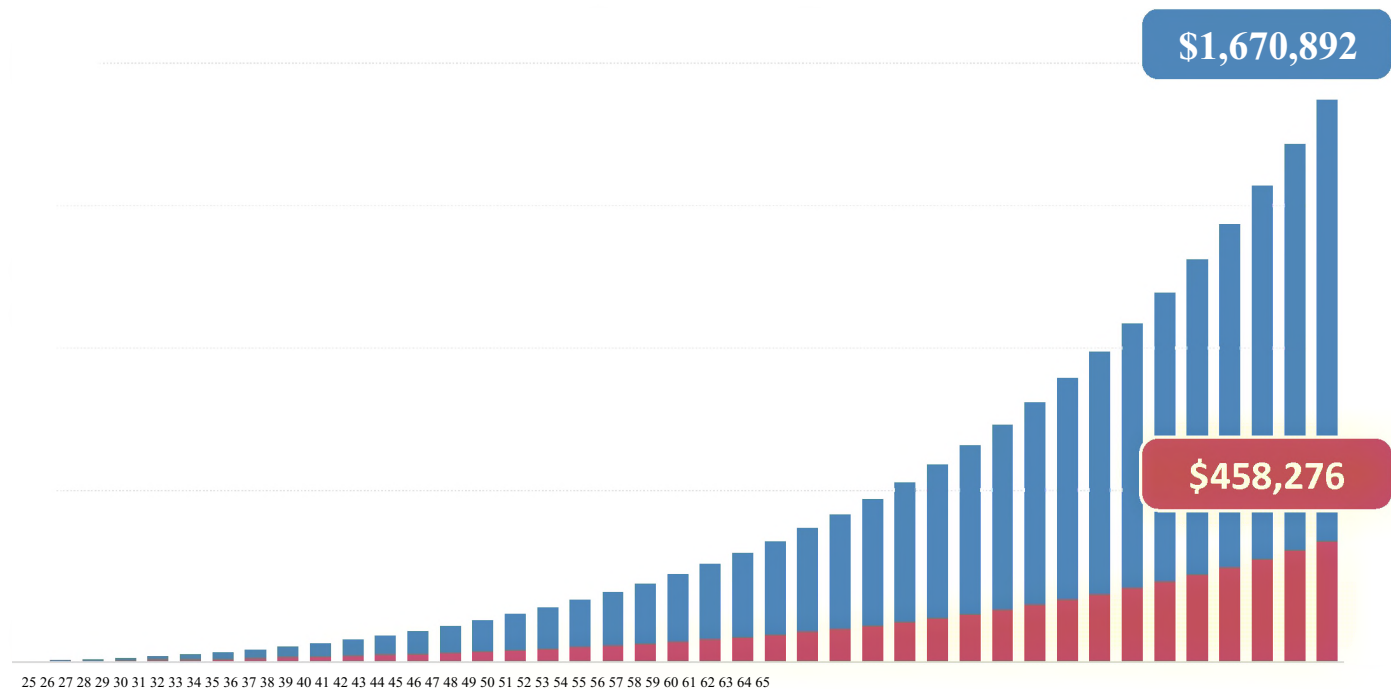
Importance of Saving Early



Importance of Saving Early

Age: 25
 Salary: \$40,000
 Starting balance: \$0
 Annual rate of return: 7%

- **PERSON A**
 Balance **without**
 annual increase
 in contributions
- **PERSON B**
 Balance **with**
 annual increase
 in contributions

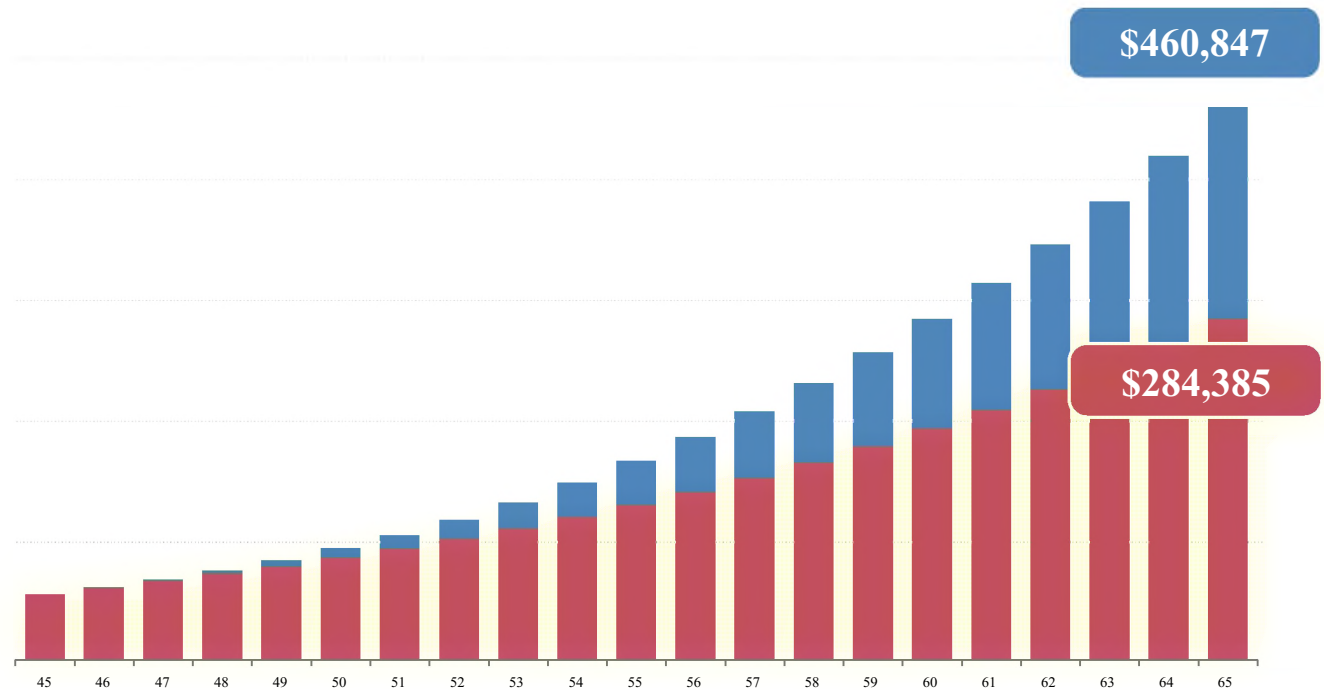


This is a hypothetical example. Assumptions: Person A and Person B both started contributing at 25 years old. Person A contributed 3%/year through age 65. Person B increased contributions 1%/year for 10 years, then stayed at 13% contributions through age 65. Both started out earning \$40,000 per year and began with an account balance of \$0. This hypothetical example uses a 4% annual salary increase and is based on monthly contributions made at the beginning of the month to a tax-deferred retirement plan and a 7% annual rate of return compounded monthly. Your own plan account may earn more or less than this example, and income taxes will be due when you withdraw from the account. Investing in this manner does not ensure a profit or guarantee against loss in declining markets. Past performance is no guarantee of future results.

Importance of Saving Early

Age: 45
 Salary: \$40,000
 Starting balance: \$50,000
 Annual rate of return: 7%

- **PERSON A**
Balance **without**
annual increase
in contributions
- **PERSON B**
Balance **with**
annual increase
in contributions



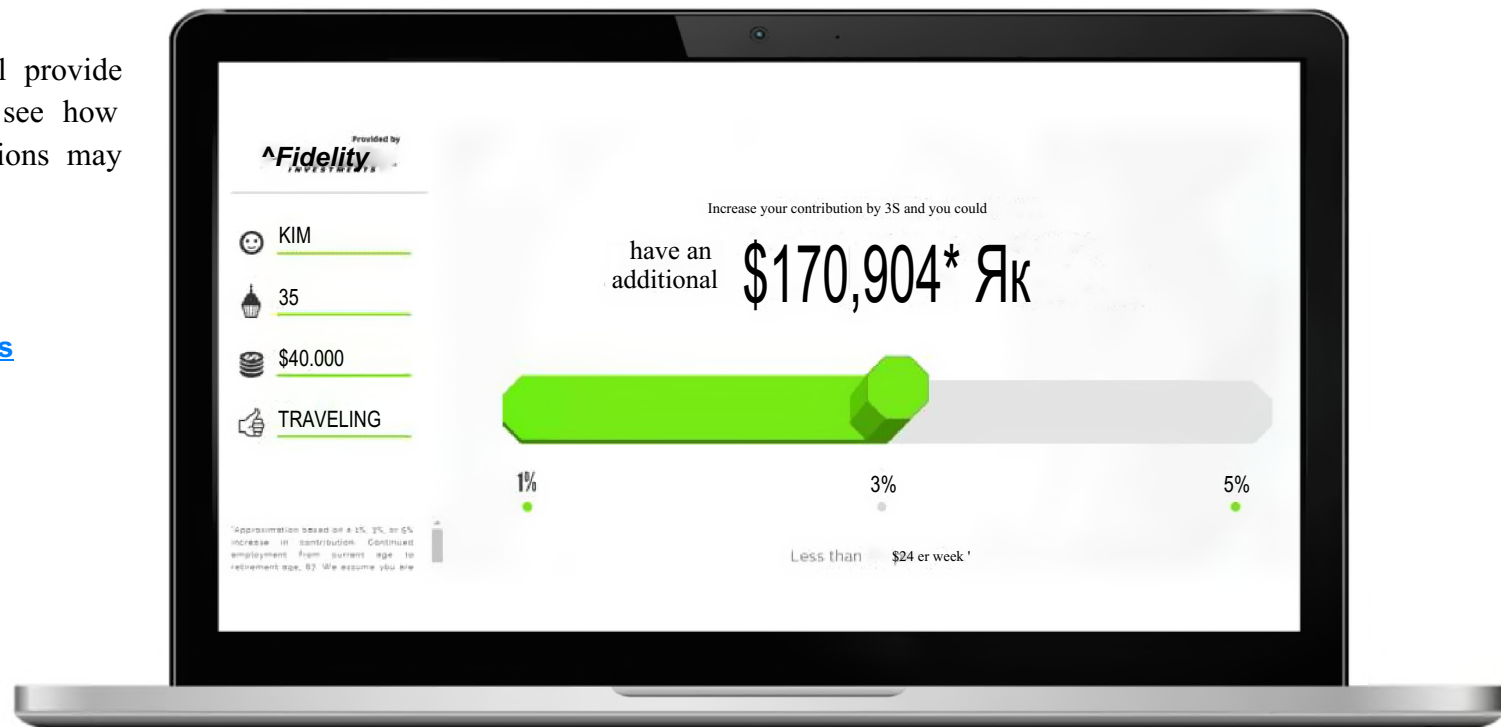
This is a hypothetical example. Assumptions: Person A and Person B were both contributing at 45 years old. Person A contributed 3%/year through age 65. Person B increased contributions 1%/year for 10 years, then stayed at 13% contributions through age 65. Both started out earning \$40,000 per year and began with an account balance of \$50,000. This hypothetical example uses a 4% annual salary increase and is based on monthly contributions made at the beginning of the month to a tax-deferred retirement plan and a 7% annual rate of return compounded monthly. Your own plan account may earn more or less than this example, and income taxes will be due when you withdraw from the account. Investing in this manner does not ensure a profit or guarantee against loss in declining markets. Past performance is no guarantee of future results.

The Power of Small Amounts

With this online experience, you'll provide some basic information and then see how a small increase in your contributions may make a powerful difference.

Go to

Fidelity.com/powerofsmallamounts

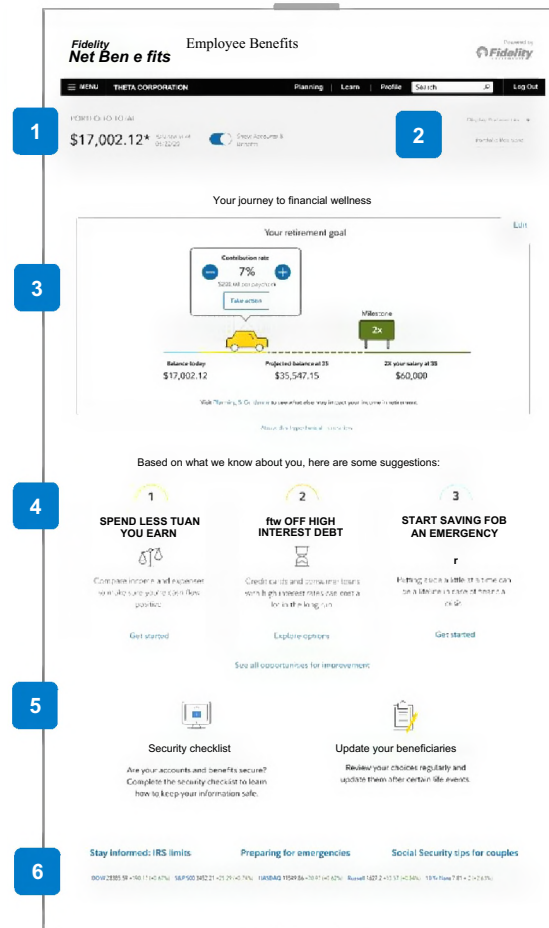


Screenshot is for illustrative purposes only.

What's the big picture?

Workplace Education Series

NetBenefits home page highlights

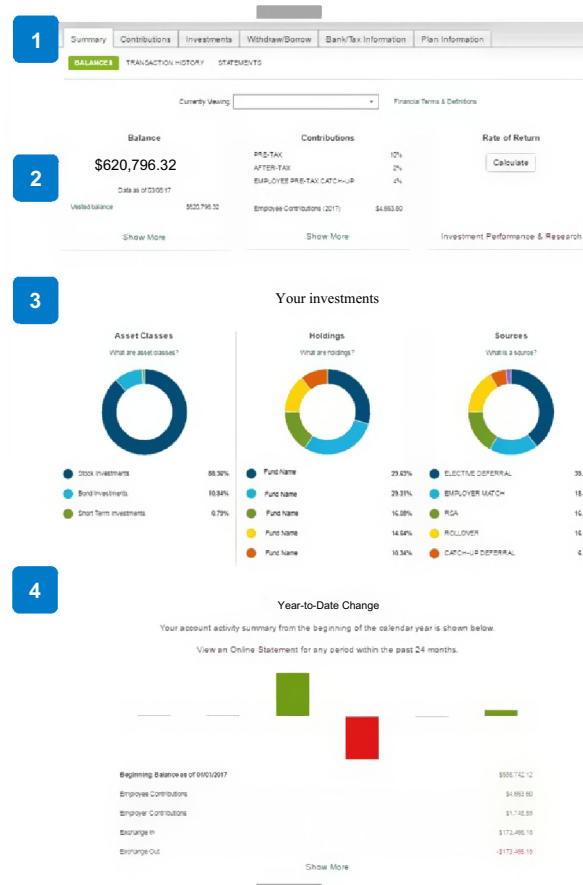


- 1 Your account balance(s)
- 2 Display preferences
- 3 Goals and milestones
- 4 Your top 3 financial priorities
- 5 Resources and educational information
- 6 The latest market numbers

Fidelity

Summary

See what's going on inside your account.



1 Section tabs
Tabs are located at the top of the page as sub-navigation

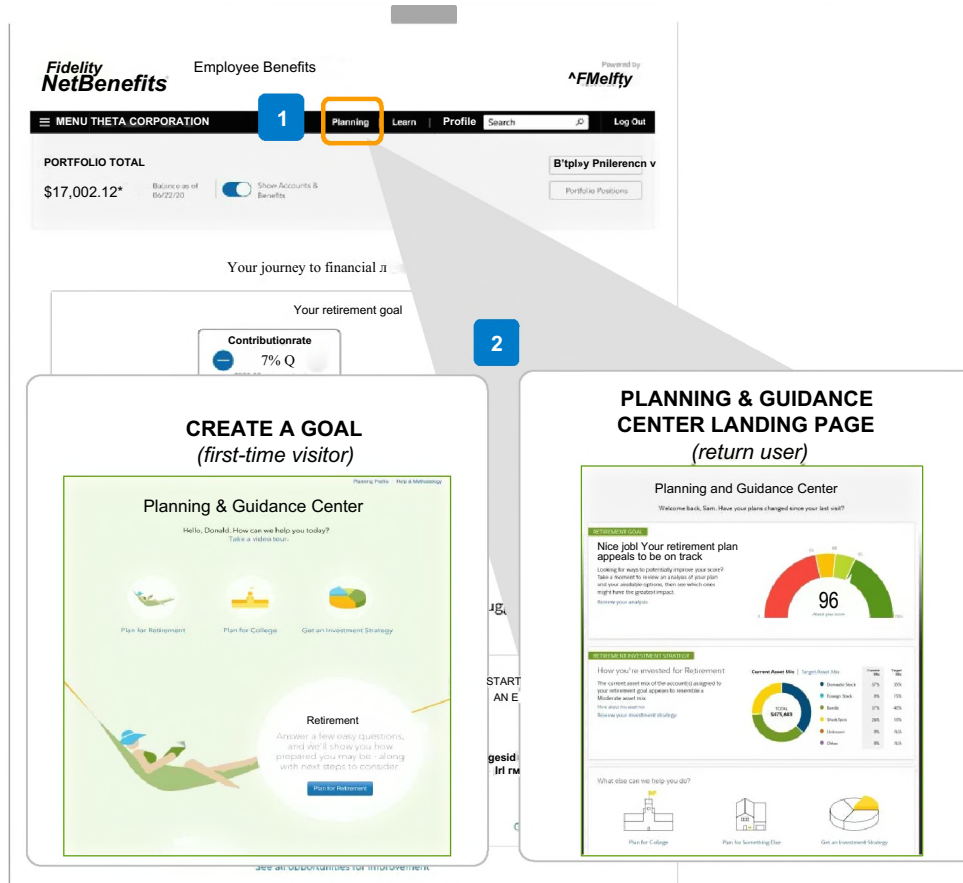
2 Balance overview
Current balance, vested balance, and loan details

3 Investment summary
Single-table view with sorting capabilities

4 Year-to-Date Changes
Account activity summary from the beginning of the calendar year

Planning & Guidance Center

Get a personalized planning experience to help you set goals.



1 Access
Visit the new Planning & Guidance Center via the Planning link on the home page

2 Views
Different views will appear for return users versus first time users

Screenshots are for illustrative purposes only.

Fidelity



Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

Screenshots are for illustrative purposes only.

System availability and response times may be subject to market conditions.

*Fidelity has developed a series of salary multipliers in order to provide participants with one measure of how their current retirement savings might be compared to potential income needs in retirement. The salary multiplier suggested is based solely on your current age. In developing the series of salary multipliers corresponding to age, Fidelity assumed age-based asset allocations consistent with the equity glide path of a typical target date retirement fund, a 15% savings rate, a 1.5% constant real wage growth, a retirement age of 67 and a planning age through 93. The replacement annual income target is defined as 45% of pre-retirement annual income and assumes no pension income. This target is based on Consumer Expenditure Survey (BLS), Statistics of Income Tax Stat, IRS tax brackets and Social Security Benefit Calculators. Fidelity developed the salary multipliers through multiple market simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success.

These simulations take into account the volatility that a typical target date asset allocation might experience under different market conditions. Volatility of the stocks, bonds and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks (domestic and foreign) are represented by Ibbotson Associates SBBI S&P 500 Total Return Index, bonds are represented by Ibbotson Associates SBBI U.S. Intermediate Term Government Bonds Total Return Index, and short term are represented by Ibbotson Associates SBBI 30-day U.S. Treasury Bills Total Return Index, respectively. It is not possible to invest directly in an index. All indices include reinvestment of dividends and interest income. All calculations are purely hypothetical and a suggested salary multiplier is not a guarantee of future results; it does not reflect the return of any particular investment or take into consideration the composition of a participant's particular account. The salary multiplier is intended only to be one source of information that may help you assess your retirement income needs. Remember, past performance is no guarantee of future results. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in these hypothetical calculations. Returns also will generally be reduced by taxes.

IMPORTANT : The projections or other information generated by Fidelity's Planning & Guidance Center Retirement Analysis, regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.

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How can I enroll in the 403(b) Plan?

Duke @ WORK

Home iForms Concur Universal Worklist Candidate Selection ECRT MyInfo SuccessFactors

Home Personalization

Employee Services

Map

My Profile

- g Maintain my Addresses & Phone Numbers
- 1 DukeAlert - Maintain my Cell Phones for Emergency Text Messaging System
- g View Summary of my Personal Information
- @ View Contact Information for My Payroll Representative
- g ReviswAJpdale my Race, Ethnicity, Veteran and Disability Status
- 1 SelectUpdate my Gender Identity, Pronouns, and Preferred First Name
- g Maintain my Emergency contacts
- Change my Nello, Security, Email & Directory Listing via OIT Acct Svcs

My Time

- g Enter Exempt Time-Off Report
- 1 Setup Your Delegate for Exempt Time-off Reporting

My Team

- 1 Access API Time & Attendance
- 1 Approve Current Period Biweekly Timecards - 02/13/2023-02/26/2023
- 2 Approve Exempt Time Off (University Depts)
- 1 How To Guide - Approve/Enter ETO on your Mobile for University & SOM
- 1 Review my Backup Approvers & Those I Backup

My Pay

- g View my Current and Past Pay Statements
- g View/Edit my Federal w-4 and MC-4 Tax Withholding Forms
- 2 Create/Update my Bank Account for Direct Deposit
- @ View/Print my Employee W-2 Tax Statem
- 2 View/Print my Employee W-2 Tax Stateme
- 1 view instructions for my Employee W-2
- g Elect to Receive my W-2 Tax Form Onn J
- g Manage my Payroll Gift Deductivi
- 2 My Deductions for DukeCard Rex Sf

My Benefits

- g Enrcraaxe Changes to my 403f I
- 1 Access my Fidelity Account
- 2 Estimate my Pension Benefit - ERP Pension Plan Projection Tool for Biweekly Paid Employees
- 1g View my Current Benefit Plans
- 1 How Do I Enroll in my Benefits?
- 2 When Can I Make Benefit Changes?
- § Enroll in Health Coverage for my Qualifying Life Event
- ira

My Benefits

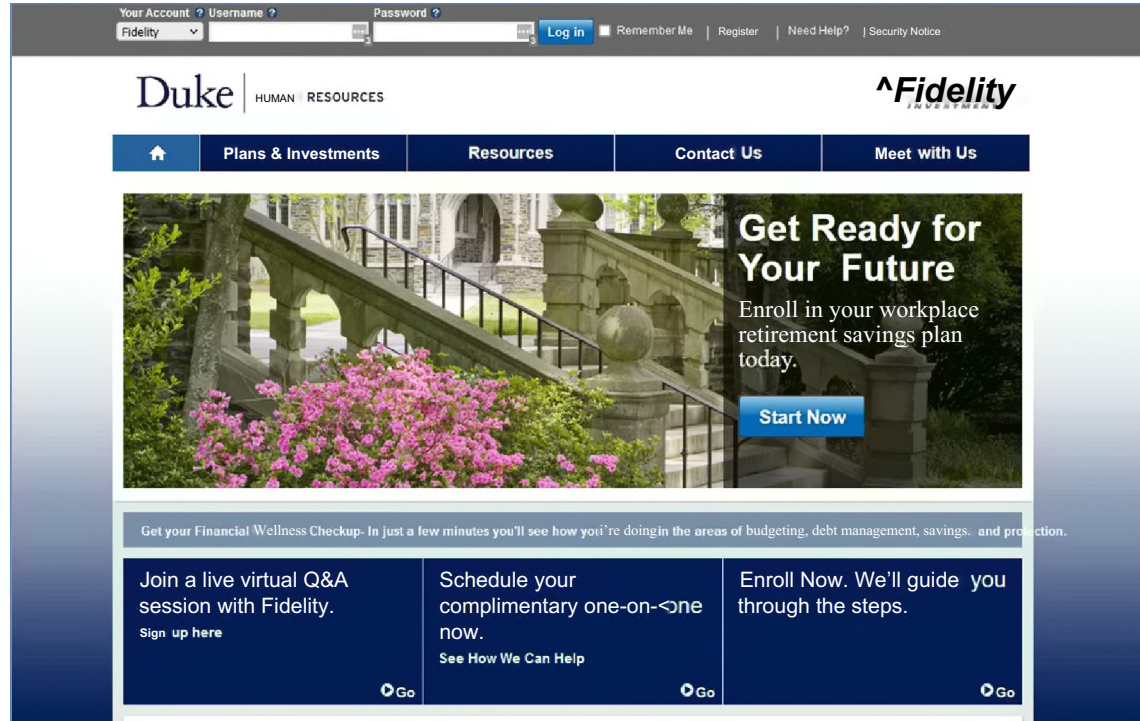
- 1 Enroll/Make Changes to my 403B Faculty and Staff Retirement Plan
- 1 Access my Fidelity Account
- 3 Estimate my Pension Benefit - ERP Pension Plan Projection Tool for Biweekly Paid Employees

- Set up your payroll deductions through Duke@Work
 - > Pre-tax
 - > Roth

Enroll at any time!

Your Fidelity Account

[Fidelity.com/duke](https://fidelity.com/duke)



- Register at [Fidelity.com/duke](https://fidelity.com/duke)
- Select from the investment lineup
- Designate/update your beneficiaries
- Schedule an appointment with a Fidelity



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Your Distribution Options

Distribution Options:

- Systematic distributions
- Lump sum distribution
- Annuity payments (fixed/variable income annuity)

Required Minimum Distributions (RMDs)

- In general, you have take the first RMD payment by April 1st of the year after you reach age 73 or retire.
- After that first withdrawal, you're required to take an RMD by Dec 31st every year.
- 25% penalty may apply if you do not take RMD payments.

Learn More About Retirement Benefits

- Annual Personal Benefits Statement from Duke
- Visit Duke@Work self-service:
 - 403(b) account information
 - Estimate your pension benefit from the Employees' Retirement Plan (ERP)
- Visit Duke's website at hr.duke.edu/retirement
- Review the Summary Plan Description (hr.duke.edu/spd)
- Quarterly statement from your retirement service provider

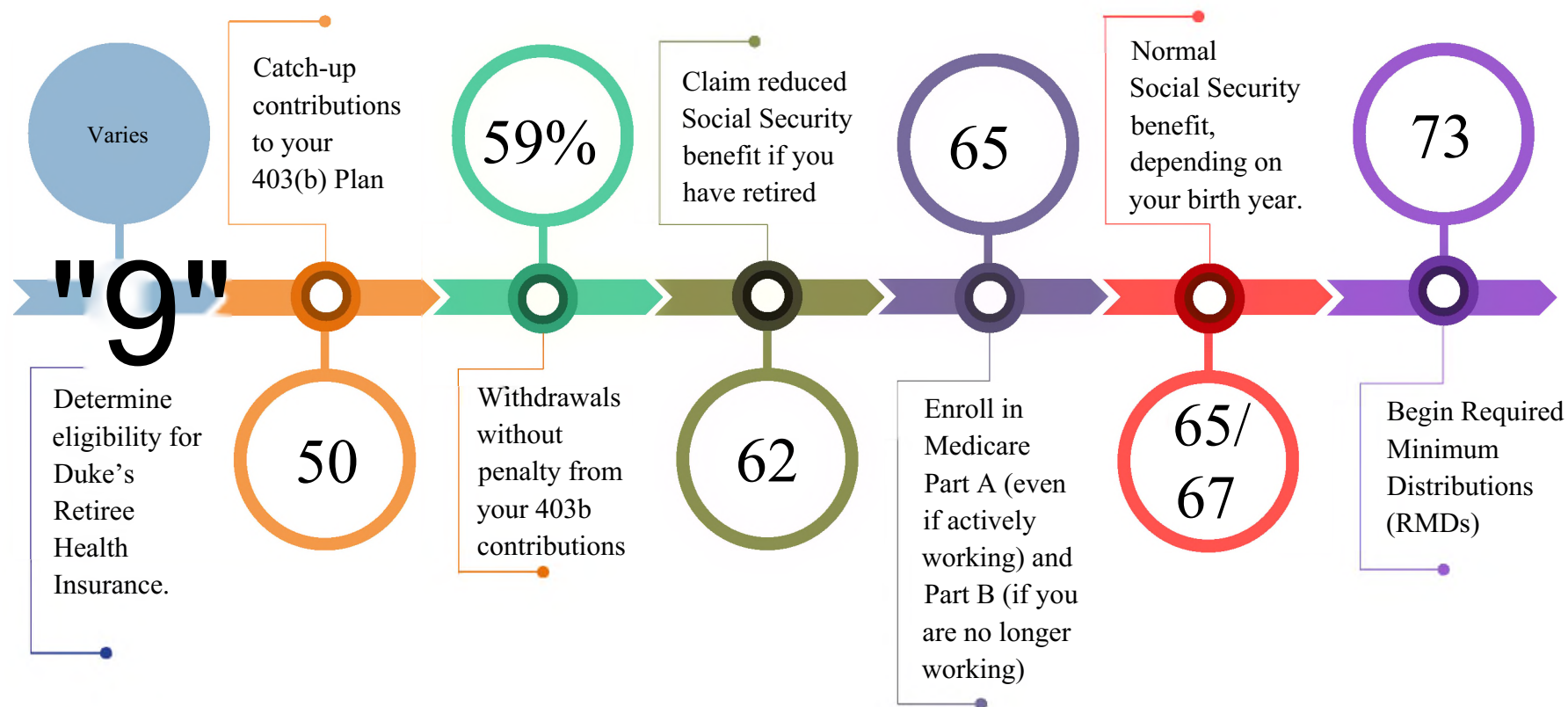
Retirement Planning Guide

- Excellent source for information related to planning for retirement
- Includes a timeline of when you should take action on various items
- Provides information on Duke benefits in retirement



Retirement
Planning Guide
can be found at
hr.duke.edu/rpg

Key Ages for Retirement Planning



To Do List ...

- Review your personal retirement information
- Meet with Fidelity
- Review your retirement investment choices for diversification
- Consider increasing your contribution



Legal Notification

- Though there are no present plans to do so, please remember that the eligibility and other provisions applicable to continuing Duke's benefit plans can change. The coverage offered is not a vested benefit, and Duke reserves the right at any time to change or terminate the benefit plans.
- If there is a conflict between this presentation and the official plan documents, the official plan documents will govern in all cases.
- If you have questions, please email Benefits at hr@duke.edu.

Fidelity Investments is here to help

Let an experienced Fidelity representative, dedicated to the **Duke Faculty and Staff Retirement Plan**, help you develop a comprehensive retirement and investment plan that aligns with your overall financial goals.



Alan Collins
Workplace Financial
Consultant



Yvette Mills
Workplace Financial
Consultant



Chris Mann
Workplace Financial
Consultant

Contact Fidelity

Call: 800-642-7131

[Fidelity.com/schedule](https://www.fidelity.com/schedule)



<https://www.fidelity.com/schedule>

Investing involves risk, including risk of loss.

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Questions?



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Schedule an appointment:
(800) 343-0860

Text “MeetAtDuke”
to 343898

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