

What is a revenue credit?

A *revenue credit* is a payment paid by a retirement plan service provider (e.g. TIAA) to the retirement plan; it represents a fee credit negotiated by the university. Basically, it is a refund of fees charged by the services provider that will be returned to plan participants and placed in their retirement account(s).

Why is this credit available?

This credit represents a return of fees that were above what was needed by the service provider (e.g. TIAA) and university to cover plan expenses.

Who is eligible to receive a share of the revenue credit?

All retirement plan participants with an account balance with TIAA at the time of the revenue credit distribution will receive their share of this credit.

How will my share of the revenue credit be determined?

TIAA, as the record keeper, allocates the total amount of credit available to eligible plan participants in proportion to the size of each participant's account balance(s) (excluding outstanding loan balances) immediately prior to the timing of the distribution.

How will the revenue credit be invested in my account?

Any credit applied to the plan participants' retirement accounts will be invested according to the investment elections and sources in the TIAA retirement plan account(s) at the time of the credit.

When will I see my portion of the revenue credit?

Your share of the revenue credit(s) will be deposited into your retirement account(s) in early October 2017 and will be reported on your fourth quarter retirement statement.

Does the revenue credit affect my annual contribution limit?

No. The revenue credit does not reduce the amount you may annually contribute to your retirement accounts. Revenue credit amounts are not considered to be plan contributions.

When will the revenue credit allocated to my account be reported to the IRS?

The IRS does not require any reporting when revenue credits are deposited to your retirement account(s). When you make a withdrawal from your retirement account(s) in the future, the amounts attributable to revenue credit will be subject to ordinary taxation and reporting requirements like any other retirement account distributions.

How can I find out if I received a revenue credit and the amount of the credit?

The revenue credit will appear on your fourth quarter TIAA benefits statement. You may also call TIAA at 800-842-2776 to inquire if you received (or will receive) a revenue credit and, if any, get details on the credit amount.

Will I continue to receive revenue credits?

CMU's Retirement Investment Advisory Committee ("RIAC") will continue to review the service, cost effectiveness and operational efficiency and effectiveness of the retirement service providers. In addition, the RIAC will continue to monitor service provider performance and the expenses they charge to manage your retirement accounts; however, there is no guarantee that additional revenue credits will be forthcoming. For further details on the RIAC, visit www.cmich.edu/fas/hr/HRRetirement/Pages/RIAC.aspx.

Why aren't the Fidelity Investment participants receiving a revenue credit?

Fidelity Investment offers a different fee structure than TIAA – a fixed (or flat) dollar versus fixed basis points. This ensures the revenue credit account accumulates a modest balance so there are not any excess funds to distribute.