Retirement

Your FUTURE state of mind

OVERFLOWING WITH FINANCIAL PLANNING RESOURCES.

Arizona University System Voluntary 403(b) Plan Transition Guide
It’s a great time to take advantage of the Arizona University System Voluntary 403(b) Plan

A primary retirement plan (e.g., Arizona State Retirement System, Optional Retirement Plan, or Public Safety Personnel Retirement System), Social Security benefits, and a supplemental retirement savings vehicle may potentially help you be financially comfortable in your retirement years. The Arizona University System Voluntary (AUS) 403(b) Plan (Plan) is a supplemental retirement savings plan available for you to invest some of what you earn today for your retirement.

The benefits of participating in the Voluntary 403(b) Plan are:

• Contributions are deducted on either a pretax or Roth after-tax basis from your paycheck through convenient payroll deductions.
• You do not pay taxes on any earnings accumulated from pretax contributions until you withdraw them.
• Your earnings accumulated from Roth after-tax contributions are tax free to you and your heirs, as long as the distribution is a qualified one.*
• You have the flexibility to select from investment options that range from conservative to aggressive.

The Plan is available to all employees of the Arizona Board of Regents, Arizona State University, Northern Arizona University, and University of Arizona. You are receiving this guide because you are eligible to participate in the Plan.

We encourage you to use this guide as a resource to help you make the best investment decisions for your future. We encourage you to:

• Read this guide carefully.
• Review the Plan activity calendar.
• Take advantage of all the services and investment options the Plan offers.

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*A qualified distribution, generally, is one that is taken five tax years after the year of your first AUS Roth contribution and after you have reached age 59½, become disabled, or have died.
Plan Highlights

The Arizona University System believes in offering exceptional benefits and retirement programs to its employees. Effective July 1, 2014, Fidelity will offer the core investment lineup and self-directed brokerage account and provide the primary administrative recordkeeping services for the Plan. TIAA-CREF will offer a limited suite of annuity options. The following are Plan highlights to help you prepare for retirement.

Plan Highlights and Services

- **Pretax and Roth After-tax 403(b) Contribution Options:** Contributions to the Plan can be deducted on a pretax basis from your paycheck or, beginning July 1, 2014, on an after-tax basis (Roth 403(b)). You can contribute up to 100% of your eligible pay, up to the annual IRS dollar limit of $17,500 in 2014 (subject to change each year by the IRS) on a pretax and/or after-tax basis. You may want to consider consulting your tax expert to determine which option is right for you.
  - **Pretax Contributions:** The contributions are deducted from your pay before income taxes are taken out. This means that you may actually lower the amount of current income taxes withheld each period. It could mean more money in your take-home pay versus money in a taxable account. Any earnings on your contributions are tax deferred until you withdraw them from your account.
  - **Roth 403(b) Option:** You can make after-tax payroll contributions and withdraw those contributions tax free (subject to the terms of the Plan). Your earnings may also be withdrawn tax free if you have a qualified distribution.* Generally, a Roth contribution may be beneficial if you expect your tax rate in retirement will be higher than it had been during the years you contributed.

- **Self-Directed Brokerage Account:** Fidelity BrokerageLink® combines the convenience of your workplace savings account with the additional flexibility of a brokerage account. It gives you expanded mutual fund investment choices and the opportunity to more actively manage your retirement contributions.

- **NetBenefits®:** Beginning the week of July 27, 2014, you can enroll in the Plan through NetBenefits® and choose your investment provider and investment elections. However, you may be able to enroll in the Plan prior to this date at www.myretirementmanager.com. You will also need to open an account with the investment provider you select.

- **Consolidate Your Accounts:** You have the opportunity to consolidate your accounts that may be held with other investment providers to make it easier for you to keep your planning on track. If you have 403(b) Plan balances with legacy investment providers, the balances will remain unless you direct otherwise. Keep in mind that fees may apply when consolidating accounts.

- **Catch-up Contributions:** Catch-up contributions are available if you are age 50 or will reach age 50 during the calendar year, January 1–December 31, and are making the maximum IRS contribution.

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*A qualified distribution, generally, is one that is taken five tax years after the year of your first AUS Roth contribution and after you have reached age 59½, become disabled, or have died.
• **403(b) Plan Lifetime (15-year rule) Catch-up Contributions:** This provision allows you to increase your contributions above the basic annual limit and age 50+ catch-up provision by $3,000 per year. To qualify, you must have 15 or more years of service and have contributed on average less than $5,000 a year to your 403(b) Plan. The lifetime catch-up provision limit is $15,000.

• **Loans:** Although your Plan account is intended for the future, you may borrow from your account for any reason. A maximum of two loans, one home loan and one general (all purpose) loan, is allowed. Effective July 1, 2014, loans from legacy vendors (vendors other than Fidelity and TIAA-CREF) will no longer be allowed.

• **Withdrawals:** Withdrawals from the Plan are generally permitted when you terminate your employment, retire, reach age 59½, or if you have severe financial hardship as defined by the Plan. Effective July 1, 2014, severe financial hardship withdrawals from legacy vendors (vendors other than Fidelity and TIAA-CREF) will no longer be allowed.

• **Online Beneficiary Designations:** Online beneficiary designations through NetBenefits allow you to designate your beneficiary or make updates to your beneficiary designation with Fidelity at any time. If you have investments directed to TIAA-CREF, you will need to provide TIAA-CREF with your beneficiary designation.

• **Portfolio Review:** Portfolio Review is an online tool that helps you identify your savings goals, analyzes your current investment mix, and suggests an investment mix to help you better align your portfolio with your goals.

• **Full View®:** Full View® is an online service available through the NetBenefits website. It allows you to view and manage your finances, including retirement, bank, brokerage, and credit card accounts, in one place.

• **Rebalance Notification:** Rebalance Notification alerts you by email any time your account’s investment mix strays from your original strategy. You decide whether to rebalance, and you can take action immediately by clicking on a link delivered with the email message.

• **Educational Website:** You will have access to a comprehensive educational website dedicated to retirement planning. In NetBenefits, you will find historical investment performance, articles on financial markets, and interactive tools and calculators to help you better determine your retirement savings goals.

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**Take that first step.**

It’s probably the most intimidating part of the process, but it shouldn’t be. One small step—enrolling in the Plan—will help put you on the right path. Starting now is important. The sooner you start to save, the more time your money has to potentially grow.
Plan Investment Options

Before investing in any investment option, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a mutual fund prospectus or, if available, a summary prospectus. For information on annuities, contact TIAA-CREF to request a fact sheet. Read them carefully.

Effective July 1, 2014, the following investment options will be available in the Plan. If you choose to participate in the Plan prior to July 1, 2014, your investment options and account balance may be affected due to changes that are occurring in the Plan. Please review the Transition Guide online at [www.netbenefits.com/asu](http://www.netbenefits.com/asu) to see how your contributions and/or balances may be affected. Please see the enclosed Investment Option Descriptions for a description of the investment options listed below.

<table>
<thead>
<tr>
<th>TARGET DATE FUNDS—AVAILABLE THROUGH FIDELITY</th>
<th>TICKER SYMBOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>T. Rowe Price Retirement Income Fund</td>
<td>TRRIX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2005 Fund</td>
<td>TRRFX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2010 Fund</td>
<td>TRRAX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2015 Fund</td>
<td>TRRGGX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2020 Fund</td>
<td>TRRBX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2025 Fund</td>
<td>TRRHX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2030 Fund</td>
<td>TRRGCX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2035 Fund</td>
<td>TRRJX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2040 Fund</td>
<td>TRRX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2045 Fund</td>
<td>TRRKX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2050 Fund</td>
<td>TRRMX</td>
</tr>
<tr>
<td>T. Rowe Price Retirement 2055 Fund</td>
<td>TRRNNX</td>
</tr>
<tr>
<td>CORE FUNDS—AVAILABLE THROUGH FIDELITY</td>
<td>TICKER SYMBOL</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Vanguard Prime Money Market Fund Institutional Shares</td>
<td>VMRXX</td>
</tr>
<tr>
<td>PIMCO Total Return Fund Institutional Class</td>
<td>PTTRX</td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund Admiral Shares</td>
<td>VBTLX</td>
</tr>
<tr>
<td>Principal Diversified Real Asset Fund Institutional Class</td>
<td>PDRDX</td>
</tr>
<tr>
<td>American Beacon Large Cap Value Fund Class Institutional</td>
<td>AADEX</td>
</tr>
<tr>
<td>Vanguard Institutional Index Fund Institutional Shares</td>
<td>VINIX</td>
</tr>
<tr>
<td>Fidelity® Contrafund®—Class K</td>
<td>FCNKX</td>
</tr>
<tr>
<td>Fidelity® Growth Company Fund—Class K</td>
<td>FGCKX</td>
</tr>
<tr>
<td>Neuberger Berman Socially Responsive Fund Institutional Class</td>
<td>NBSLX</td>
</tr>
<tr>
<td>Vanguard Extended Market Index Fund Institutional Shares</td>
<td>VIEIX</td>
</tr>
<tr>
<td>Eaton Vance Atlanta Capital SMID-Cap Fund Class I</td>
<td>EISMX</td>
</tr>
<tr>
<td>Fidelity® Diversified International Fund—Class K</td>
<td>FDIKX</td>
</tr>
<tr>
<td>GMO International Equity Allocation Series Fund Class R6</td>
<td>GEARX</td>
</tr>
<tr>
<td>Vanguard Total International Stock Index Fund Admiral Shares</td>
<td>VTIAX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANNUITIES—AVAILABLE THROUGH TIAA-CREF</th>
<th>TICKER SYMBOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIAA Traditional Annuity*</td>
<td>N/A</td>
</tr>
<tr>
<td>CREF Stock Account</td>
<td>N/A</td>
</tr>
<tr>
<td>TIAA Real Estate Account</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Any guarantees under annuities issued by TIAA are subject to TIAA’s claims-paying ability. TIAA Traditional Account is a guaranteed insurance contract and not an investment for federal securities law purposes.
SELF-DIRECTED BROKERAGE ACCOUNT—AVAILABLE THROUGH FIDELITY

Fidelity BrokerageLink allows you to choose from investments beyond the options listed above. To use this feature, you must first open a separate brokerage account within the Plan. To open an account, or if you have any questions about Fidelity BrokerageLink, please log on to www.netbenefits.com/aus or call 1-800-343-0860. Once you have opened an account, you may access, monitor, or change investments in your BrokerageLink® account by contacting Fidelity.

BrokerageLink® Account Guidelines:

- There is additional information regarding available investment choices, which you should read before making any investment decisions.
- Mutual fund minimums generally still apply when purchasing a mutual fund.
- Always review any fees associated with your transaction prior to initiating a trade.

The investments available in Fidelity BrokerageLink are not monitored by the Plan. The self-directed brokerage account is intended for those who are comfortable actively managing a portfolio of expanded investment choices.

A self-directed brokerage account may entail greater risk and is not appropriate for everyone. Additional fees may apply to a Fidelity BrokerageLink account. Please refer to the fact sheet and commission schedule for a complete listing of brokerage fees. This information may be available on www.netbenefits.com/aus, or you may request a copy by calling Fidelity toll free at 1-800-343-0860.

Default Investment Option

T. Rowe Price Retirement funds have been selected as the default investment option. This applies only if you open a new account but do not make an investment election for your contributions. Your future contributions will be invested in the T. Rowe Price Retirement fund that has a target retirement date closest to the year you might retire. The Plan assumes you will retire at the Plan’s normal retirement age of 65.

T. Rowe Price Retirement funds are designed for investors expecting to retire around the year indicated in each fund’s name. The funds are managed to gradually become more conservative over time. The investment risk of each fund changes over time as the fund’s asset allocation changes. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked, and foreign securities. Principal invested is not guaranteed at any time, including at or after the funds’ target dates.
Please use the following guidelines to determine in which T. Rowe Price Retirement fund your future contributions will be invested.

<table>
<thead>
<tr>
<th>DATE OF BIRTH</th>
<th>FUND NAME</th>
<th>Ticker Symbol</th>
<th>Target Retirement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1938</td>
<td>T. Rowe Price Retirement Income Fund</td>
<td>TRIX</td>
<td>Retired before 2003</td>
</tr>
<tr>
<td>1/1/1958-12/31/1962</td>
<td>T Rowe Price Retirement 2025 Fund</td>
<td>TRRHX</td>
<td>2023-2027</td>
</tr>
<tr>
<td>1/1/1963-12/31/1967</td>
<td>T Rowe Price Retirement 2030 Fund</td>
<td>TRRCX</td>
<td>2028-2032</td>
</tr>
<tr>
<td>1/1/1968-12/31/1972</td>
<td>T Rowe Price Retirement 2035 Fund</td>
<td>TRRJX</td>
<td>2033-2037</td>
</tr>
<tr>
<td>1/1/1973-12/31/1977</td>
<td>T Rowe Price Retirement 2040 Fund</td>
<td>TRRDX</td>
<td>2038-2042</td>
</tr>
<tr>
<td>1/1/1978-12/31/1982</td>
<td>T Rowe Price Retirement 2045 Fund</td>
<td>TRRKX</td>
<td>2043-2047</td>
</tr>
<tr>
<td>1/1/1983-12/31/1987</td>
<td>T Rowe Price Retirement 2050 Fund</td>
<td>TRRMX</td>
<td>2048-2052</td>
</tr>
<tr>
<td>1/1/1988 or later</td>
<td>T Rowe Price Retirement 2055 Fund</td>
<td>TRRNX</td>
<td>2053-2057</td>
</tr>
</tbody>
</table>

Timeline was selected by the Plan sponsor.

Making Your Investment Choices

If you choose to participate in the Plan, you will have the opportunity to make investment elections and elect a contribution amount. Beginning the week of July 27, 2014, you can enroll at [www.netbenefits.com/aus](http://www.netbenefits.com/aus) or call Fidelity at 1-800-343-0860. The investment choices you make will be effective for your future contributions.

If you choose to participate in the Plan prior to July 1, 2014, your investment options and account balance may be affected due to changes occurring to the Plan. Please see the Transition Guide online at [www.netbenefits.com/aus](http://www.netbenefits.com/aus) to view how contributions and/or balances may be affected. To enroll prior to July 1, you may log on to [www.myretirementmanager.com](http://www.myretirementmanager.com).

You have the option to meet with a Fidelity or TIAA-CREF representative for an individual consultation and to help you enroll. To schedule a complimentary one-on-one appointment:

**CALL:** Fidelity — 1-800-343-0860  
TIAA-CREF — 1-800-842-2252

**CLICK:** Fidelity — [www.netbenefits.com/aus](http://www.netbenefits.com/aus)  
TIAA-CREF — [www.tiaa-cref.org/azustsa](http://www.tiaa-cref.org/azustsa)
Plan Activity Calendar

To ensure that all information is set up for your account, there will be a period of time when you will be unable to enroll in the Plan. **This time during which you will be unable to exercise your rights otherwise available under the Plan is called a “blackout period” and begins at 1 p.m. Pacific time on July 1, 2014, and is expected to end the week of July 27, 2014. During this time, you can determine whether the blackout period has started or ended by calling the Fidelity Retirement Benefits Line toll free at 1-800-343-0860 or going online to www.netbenefits.com/aus.**

Review the calendar of events to understand the upcoming activities and when you can take advantage of the benefits offered under the new AUS Voluntary 403(b) Plan.

<table>
<thead>
<tr>
<th>KEY DATE</th>
<th>PLAN ACTIVITY</th>
<th>WHAT IT MEANS TO YOU</th>
</tr>
</thead>
</table>
| May through September | Fidelity and TIAA-CREF representatives will be available for one-on-one confidential consultations. | A representative can help you:  
• Get started and manage your retirement savings goals  
• Review investment choices  
• Build a savings plan that's easy to put into action  
Schedule an appointment by calling or going online:  
Fidelity—1-800-343-0860  
TIAA-CREF—1-800-842-2252  
Fidelity—www.netbenefits.com/aus  
TIAA-CREF—www.tiaa-cref.org/azustsa |
| July 1, 2014, at 1 p.m. Pacific time | The new investment lineup is established. **Blackout period begins.** | You cannot enroll in the Plan during the blackout period. If you choose to participate in the Plan prior to July 1, 2014, your investment options and account balance may be affected. Please see the Transition Guide at www.netbenefits.com/aus to see how your contributions and/or balances may be affected. |
| Week of July 27, 2014 | **Blackout period is expected to end.**  
The Fidelity Retirement Benefits Center and NetBenefits website open for all Plan services.  
• www.netbenefits.com/aus  
• 1-800-343-0860  
The TIAA-CREF Center and website are open for certain Plan services.  
• www.tiaa-cref.org/azustsa  
• 1-800-842-2252 | You can now do the following in NetBenefits:  
• Enroll in the Plan.  
• Set up your username and password.  
• Access your account and review account balances at Fidelity.  
• Designate your beneficiary.  
• Request exchanges (transfers) among investment options.  
• Elect your pretax or Roth 403(b) contribution amount.  
• Roll over eligible balances from other employer-sponsored plans.  
• Request mutual fund prospectuses and Plan literature.  
• Review investment option information.  
TIAA-CREF services available:  
• Set up your username and password.  
• Access your account and view balances.  
• Designate your beneficiary.  
• Review annuity option information.|
How to Enroll

Beginning the week of July 27, 2014, log on to NetBenefits at www.netbenefits.com/aus. You can set up, monitor, and manage your AUS Voluntary 403(b) Plan account. As an employee eligible to participate in the Plan, follow these steps to enroll.

<table>
<thead>
<tr>
<th>ENROLL IN YOUR AUS VOLUNTARY 403(B) PLAN BEGINNING THE WEEK OF JULY 27, 2014</th>
</tr>
</thead>
</table>
| **Establish your Plan account.** | You can enroll in the Plan online through NetBenefits. (This process should take approximately 15 minutes.)
2. Click Enroll.
3. Select the AUS Voluntary 403(b) Plan.
4. Click Enroll Now.
5. Provide your personal information and consent.
6. Select a username and password to access your account online.
7. Make decisions about contribution amounts and investments. |
| **Complete your enrollment.** | Once you enter the NetBenefits site, you will be directed to the enrollment “wizard” to guide you through the following steps to enroll:

**Step 1 — Set Contributions**
Choose Begin to select your pretax and/or Roth 403(b) contribution amount. Select Continue.

**Step 2 — Select Retirement Providers**
You can choose Fidelity Investments, TIAA-CREF, or both. Note that your selection must equal 100%.
When you are enrolling, please select the retirement provider for your type of investment choice:
- Select Fidelity to invest in target date funds, core funds, or the self-directed brokerage account
- Select TIAA-CREF to invest in annuity investments
Depending on your investment choices, you may be required to establish an account for one or both investment providers.

**Step 3 — Choose Investments**
When you select Fidelity as your investment provider, you’ll be given the option to select a target date fund or choose to build your portfolio from a variety of core investment options or the self-directed brokerage account.
If you select TIAA-CREF as your investment provider, you’ll be directed to the TIAA-CREF website where you can choose your annuity options. You will need to establish a unique user ID and password for the TIAA-CREF website at www.tiaa-cref.org/azustsa.

**Step 4 — Add Beneficiaries**
Follow the steps to add beneficiaries to your Plan account. If you selected TIAA-CREF, be sure to provide your beneficiary designation in the TIAA-CREF website at www.tiaa-cref.org/azustsa. |

**Need help?**
**CALL:** Fidelity — 1-800-343-0860
TIAA-CREF — 1-800-842-2252
**CLICK:** Fidelity — www.netbenefits.com/aus
TIAA-CREF — www.tiaa-cref.org/azustsa

**Schedule a one-on-one consultation.**
**CALL:** Fidelity — 1-800-642-7131
TIAA-CREF — 1-800-842-2252
**CLICK:** Fidelity — www.netbenefits.com/aus
TIAA-CREF — www.tiaa-cref.org/azustsa
Steps to a Healthier Financial Future

Your AUS Voluntary 403(b) Plan is an easy way to save for your future goals. Follow these four simple steps to get started.

1. Use this guide as a resource.
2. Review the plan activity calendar.
3. Take advantage of new products and services.
4. Enroll in the Plan.

Fidelity can help you every step of the way

1-800-343-0860
www.netbenefits.com/aus

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

This document provides only a summary of the main features of the Arizona University System Voluntary 403(b) Plan, and the Plan document will govern in the event of any discrepancies.

Portfolio Review is an educational tool.
TIAA-CREF and Fidelity Investments are not affiliated.