Faculty and Staff Retirement Plan:

Guide To Selecting Your Investment Options
Guide To Selecting Your Investment Options

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Need assistance?

If you need more information, please visit the Duke Human Resources web site at www.hr.duke.edu or call the Human Resource Information Center (HRIC) at (919) 684-5600.

Si necesita asistencia con esta información, por favor comuníquese con el Centro de Información de Recurso Humano al (919) 684-5600.
Faculty and Staff Retirement Plan

Duke has an Investment Advisory Committee (IAC) whose role is to assure that you have access to high quality investment options at the lowest reasonable cost. The IAC is comprised of key Duke University and Duke University Health System administrators who work closely with expert consultants who specialize in investment management. The IAC has chosen a group of funds that are regularly monitored to assure that they remain appropriate investment options for Duke’s plan.

To make it easier to navigate your choices, investments are grouped into three tiers. Funds in Tier 1 and Tier 2 have been specifically chosen by the IAC for the Faculty and Staff Retirement Plan based on their suitability for use in a diversified retirement savings portfolio and their competitive expense level. These funds are benchmarked annually to assure that their performance and cost remain competitive. Other funds are available in Tier 3, but they are not regularly monitored by the IAC.

**Tier 1: Asset Allocation Funds**

This tier includes two types of funds that offer a way to make a single choice for your retirement needs: Target Date Funds and a Balanced Fund. The Target Date Funds have an asset allocation mix among stocks, bonds, and short-term instruments that is more aggressive when you’re younger and more conservative as you near retirement. They are constructed from investments in different asset classes and will adjust investment strategy according to the objectives described in the fund prospectus. You select the fund that is closest to the year you plan on retiring or the year you’ll reach Social Security retirement age. For more information about Target Date Funds – see page 12.

The Balanced Fund combines stock components, bond components and sometimes money market component, in a single portfolio. Balanced funds generally stick to a relatively fixed mix of stocks and bonds that reflects either a moderate (higher equity component) or conservative (higher fixed-income component) orientation and do not generally change their asset mix. The Balanced Fund is another way of choosing one option that already has a diversified mix of funds. However, unlike a Target Date Fund, the investment mix does not automatically change as you get older.

**Tier 2: Core Funds**

These funds represent the primary asset classes (stocks, bonds, and short-term instruments) and have been chosen by the IAC based on their suitability for inclusion in a customized retirement portfolio. You can select from this group of “best-in-class” funds to build your own diversified portfolio. Your preferred retirement plan investment carrier will have resources available to help you.

**Tier 3: Other Funds**

These funds will not be monitored regularly by the IAC, so you will be responsible for monitoring the holdings and performance of these funds to ensure they remain in line with your investment strategy.

Each of Duke’s investment carriers offer investment options in the same tiered structure, providing you with the opportunity to build a diversified investment portfolio without having to spread your investments over multiple providers.

On the following pages are details about the investments available through each retirement plan investment carrier.
Vanguard, one of the world’s largest global investment management companies, serves millions of participants just like you, who are saving for a more comfortable retirement.

Vanguard is a different kind of investment company. Most investment firms are either publicly traded or owned by private investors. Vanguard is owned by the Vanguard funds, which, in turn, are owned by their shareholders. With no other parties to answer to and therefore no conflicting loyalties, Vanguard makes decisions—including the decision to keep investing costs as low as possible—with your needs in mind.

Contact Vanguard:

For more information about Vanguard, visit www.duke.vanguard-education.com.

For information about how to enroll or to discuss your account, call (800) 523-1188.

To schedule an appointment with a Vanguard consultant, contact Vanguard at (800) 662-0106 ext. 14500 during regular business hours.

To schedule an appointment online, visit www.meetvanguard.com.

Footnotes for Page 5

1 Target Retirement Funds - All investing is subject to risk, including the possible loss of the money you invest. Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date. Diversification does not ensure a profit or protect against a loss.

2 An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1 per share, it is possible to lose money by investing in such fund.

3 Bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer’s ability to make payments. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk.
Vanguard® Investment Options

Vanguard offers the following investment options to help you build a diversified investment portfolio:

**Tier 1: Asset Allocation Funds for a ready-made portfolio**

Consider choosing the Target Date Fund with the target date closest to your expected retirement year or the year you’ll reach Social Security retirement age or the Balanced Fund that offers a fixed exposure to stocks and bonds.

**Target Date Funds:** Vanguard Target Retirement Funds1 - see page 4

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</thead>
<tbody>
<tr>
<td>Target Fund</td>
<td>Income 2010</td>
<td>2015</td>
<td>2020</td>
<td>2025</td>
<td>2030</td>
<td>2035</td>
<td>2040</td>
<td>2045</td>
<td>2050</td>
<td>2055</td>
<td>2060</td>
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</tbody>
</table>

**Balanced Fund:** Vanguard Wellington™ Fund

**Tier 2 - Core Funds - to build your own portfolio**

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. The positioning of funds according to relative risk is not to scale, but is intended to show the general progression of risk for funds in the different asset categories.

**Conservative** (funds towards the top of this list have potentially more inflation risk and less investment risk)

- Principal Protection2 - see page 4
- US Fixed Income3 - see page 4
- US Equity - Large Cap
- US Equity - Mid Cap
- US Equity - Small Cap
- International Equity - Developed Markets

**Aggressive** (funds towards the bottom of this list have potentially less inflation risk and more investment risk)

- Vanguard Prime Money Market Fund
- Vanguard Total Bond Market Index Fund
- Metropolitan West Total Return Bond Fund
- Vanguard 500 Index Fund
- Vanguard Windsor™ II Fund
- T. Rowe Price Growth Stock Fund
- Vanguard Mid-Cap Index Fund
- Vanguard Selected Value Fund
- Vanguard Mid-Cap Growth Fund
- Vanguard Small-Cap Index Fund
- Vanguard Small-Cap Growth Index Fund
- Vanguard Total Intl Stock Index Fund
- Vanguard Intl Growth Fund

**Tier 3 - Other Funds for the experienced investor**

Other Funds include all investment options available through the plan that are not listed under Tier 1 or Tier 2. These funds are not monitored regularly by the IAC, so you will be responsible for monitoring the holdings and performance of these funds to ensure they remain in line with your investment strategy.

The fee disclosure information which includes fees and services associated with the plan is available at: [www.hr.duke.edu/benefits/retirement/performance](http://www.hr.duke.edu/benefits/retirement/performance). To view or print a prospectus for a currently offered fund, visit [www.vanguard.com](http://www.vanguard.com) or you can also request a copy by calling 1-800-523-1188. The prospectus contains the investment objectives, risks, charges, expenses, and other information about the respective investment companies that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money.
Chances are you already know Fidelity Investments by reputation. Founded in 1946, and America’s largest privately held investment company, Fidelity has always been committed to providing exceptional money management, outstanding customer service, and state-of-the-art technology.

Fidelity is committed to providing a range of investment options, proven long-term performance, educational resources, and superior customer service to help you plan for retirement:

**With Fidelity, you can count on:**
- More than 60 years of investment experience
- More than 20 years of experience helping people plan for retirement
- Powerful online tools, experienced professional support, and easy access that can help make you a wiser investor

**Investment Options**
When it comes to mutual funds, Fidelity has a long-standing commitment to research and performance. By investing your 403(b) contributions at Fidelity, you have access to hundreds of investment products, all categorized in an easy-to-understand format.

**Customer Service Options**
At Fidelity, we do more than just provide investment opportunities. We also offer the types of tools and resources that can help you become a better investor. Our commitment to investor education means you have easy access to the people and information you need to help you make informed investment decisions.

**Fidelity NetBenefits®**
Simply log on to [www.netbenefits.com/duke](http://www.netbenefits.com/duke), virtually anywhere, anytime, for immediate access to your account. You can view your account balances, request exchanges between investment options, track your contributions, access fund information, and more.

**Contact Fidelity Investments:**
On-campus, in-person meetings—Fidelity has a local retirement representative available to you.
To view the latest schedule of on-campus meetings with a Fidelity Retirement Representative, and reserve an appointment for yourself, you are invited to visit [www.netbenefits.com/duke](http://www.netbenefits.com/duke) or call 1-800-642-7131.

For information about how to enroll or to discuss your account, call us (800) 343-0860 toll free, virtually 24 hours a day, seven days a week, for account balance transactions and more. And with our system’s natural language capabilities, you can quickly and easily monitor and manage your account by using simple phrases and voice commands.

Additionally, the Fidelity Retirement Services Center is available each business day from 8 a.m. to midnight Eastern time. Fidelity’s representatives are knowledgeable of your retirement plans with Duke. For more information about Fidelity Investments, visit [www.netbenefits.com/duke](http://www.netbenefits.com/duke).
Fidelity Investment Options

Fidelity Investments offers the following investment options to help you build a diversified investment portfolio:

### Tier 1: Asset Allocation Funds for a ready-made portfolio

Consider choosing the Target Date Fund with the target date closest to your expected retirement year or the year you’ll reach Social Security retirement age.

#### Target Date Funds: Fidelity Freedom K® Funds

<table>
<thead>
<tr>
<th>Target Fund</th>
<th>Income</th>
<th>2005</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
<th>2035</th>
<th>2040</th>
<th>2045</th>
<th>2050</th>
<th>2055</th>
<th>2060</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Date</td>
<td>Income</td>
<td>2005</td>
<td>2010</td>
<td>2015</td>
<td>2020</td>
<td>2025</td>
<td>2030</td>
<td>2035</td>
<td>2040</td>
<td>2045</td>
<td>2050</td>
<td>2055</td>
<td>2060</td>
</tr>
</tbody>
</table>

### Tier 2 - Core Funds – to build your own portfolio

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. The positioning of funds according to relative risk is not to scale, but is intended to show the general progression of risk for funds in the different asset categories.

#### Conservative

(funds towards the top of this list have potentially more inflation risk and less investment risk)

- Principal Protection
- US Fixed Income
- US Equity – Large Cap
- US Equity – Mid Cap
- US Equity – Small Cap
- International Equity – Developed Markets
- International Equity – Emerging Markets
- Fidelity® Institutional Money Market Government Portfolio Fund
- Spartan® US Bond Index Fund
- Metropolitan West Total Return Bond Fund
- MFS Value Fund
- Spartan® Total Market Index Fund
- Fidelity® Contrafund® Fund
- RidgeWorth Mid Cap Value Equity Fund
- Spartan® Extended Market Index Fund
- Prudential Jennison Mid Cap Growth Fund
- Goldman Sachs Small Cap Value Fund
- Spartan® International Index Fund
- Harbor International Fund
- Oppenheimer Developing Markets Fund

#### Aggressive

(funds towards the bottom of this list have potentially less inflation risk and more investment risk)

1 An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1 per share, it is possible to lose money by investing in such fund.

### Tier 3 - Other Funds for the experienced investor

Other Funds include all investment options available through the plan that are not listed under Tier 1 or Tier 2. These funds are not monitored regularly by the IAC, so you will be responsible for monitoring the holdings and performance of these funds to ensure they remain in line with your investment strategy.

The fee disclosure information which includes fees and services associated with the plan is available at: www.hr.duke.edu/benefits/retirement/performance. To view or print a prospectus for a currently offered fund, visit www.fidelity.com/duke or you can also request a copy by calling 1-800-343-0860. The prospectus contains the investment objectives, risks, charges, expenses, and other information about the respective investment companies that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money.
For nearly 100 years, TIAA-CREF has been helping professionals in the academic, medical, cultural and research fields nationwide prepare for financial future they want and deserve. The organization offers a wide range of fixed and variable annuities and mutual funds designed to help participants create a well-balanced long-term portfolio. Millions of participants rely on TIAA-CREF’s knowledgeable guidance and advice, prudent investment management and commitment to value than any other investment organization in the world.

TIAA-CREF is pleased to help the employees of Duke plan for retirement. We offer you options to tailor your plan to your investment style and goals.

Life can be complicated, but planning for retirement doesn’t have to be. To help you plan for your goals, we offer:

- **Sound advice and guidance.** Speak with a TIAA-CREF consultant for answers that make sense for you.
- **Low cost.** TIAA-CREF is committed to keeping costs low, with expenses that are among the lowest in the variable annuity and mutual fund industries.
- **Top ratings.** For its stability, claims-paying ability and overall financial strength, TIAA is one of only three insurance groups in the United States to currently hold the highest possible rating from three of the four leading insurance company rating agencies: A.M. Best (A++ as of 6/15), Fitch (AAA as of 9/15), and Standard & Poor’s (AA+ as of 7/15). It currently holds the second highest possible rating from Moody’s Investors Service (Aa1 as of 8/15). Per S&P criteria, the downgrade of U.S. long-term government debt limits the highest rating of U.S. insurers to AA+ (the second-highest rating available). There is no guarantee that current ratings will be maintained. Ratings represent a company’s ability to meet policyholders’ obligations and do not apply to variable annuities, mutual funds or any other product or service not fully backed by TIAA’s claims-paying ability.

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**Contact TIAA-CREF:**

For more information about TIAA-CREF, visit [www.tiaa-cref.org/duke](http://www.tiaa-cref.org/duke).

For information about how to enroll or to discuss your account, call 1-800-842-2252.

To schedule an appointment with a TIAA-CREF consultant, contact the local office at (919) 687-5200 during regular business hours.

To schedule an appointment online, visit [www.tiaa-cref.org/schedulenow-duke](http://www.tiaa-cref.org/schedulenow-duke).

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1 As Source: Based on Morningstar Direct (as of 6/30/2015) expense comparisons by category, excluding Money Market products.
TIAA-CREF Investment Options

TIAA-CREF offers the following investment options to help you build a diversified investment portfolio:

**Tier 1: Asset Allocation Funds for a ready-made portfolio**

Consider choosing the Target Date Fund with the target date closest to your expected retirement year or the year you’ll reach Social Security retirement age or the Balanced Fund that offers a fixed exposure to stocks and bonds.

<table>
<thead>
<tr>
<th>Target Date Funds: TIAA-CREF Lifecycle Retirement Funds</th>
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<tbody>
<tr>
<td><strong>Your Birth Date</strong></td>
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<tr>
<td>Prior to 1942</td>
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**Balanced Fund: CREF Social Choice**

**Tier 2 - Core Funds – to build your own portfolio**

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. The positioning of funds according to relative risk is not to scale, but is intended to show the general progression of risk for funds in the different asset categories.

**Conservative** (funds towards the top of this list have potentially more inflation risk and less investment risk)

- Principal Protection\(^1\)
- US Fixed Income
- US Equity - Large Cap
- US Equity - Mid Cap
- US Equity - Small Cap
- International Equity - Developed Markets
- International Equity - Emerging Markets

**Aggressive** (funds towards the bottom of this list have potentially less inflation risk and more investment risk)

- CREF Money Market Fund
- TIAA Traditional Annuity Fund
- CREF Bond Market Fund
- CREF Inflation-Linked Bond Fund
- TIAA-CREF S&P 500 Index Fund
- Prudential Jennison Growth Fund
- TIAA-CREF Mid-Cap Value Fund
- TIAA-CREF Mid-Cap Growth Fund
- TIAA-CREF Small-Cap Blend Index Fund
- Lord Abbett Developing Growth Fund
- American Funds EuroPacific Growth Fund
- DFA Emerging Markets Value Fund

\(^1\)An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1 per share, it is possible to lose money by investing in such fund.

**Tier 3 - Other Funds for the experienced investor**

Other Funds include all investment options available through the plan that are not listed under Tier 1 or Tier 2. These funds are not monitored regularly by the IAC, so you will be responsible for monitoring the holdings and performance of these funds to ensure they remain in line with your investment strategy.

The fee disclosure information which includes fees and services associated with the plan is available at: [www.hr.duke.edu/benefits/retirement/performance](http://www.hr.duke.edu/benefits/retirement/performance). To view or print a prospectus for a currently offered fund, visit [www.tiaa-cref.org/duke](http://www.tiaa-cref.org/duke) or you can also request a copy by calling 1-800-842-2252. The prospectus contains the investment objectives, risks, charges, expenses, and other information about the respective investment companies that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money.
For more than half a century, VALIC has served as a leading retirement plan provider for Higher Education, Healthcare, K-12, and other not-for-profit institutions. VALIC has more than $87 billion in assets under management and manages plans for nearly 25,000 groups serving over 2 million plan participants.

We provide real solutions for real lives by consistently offering products and services that are innovative, simple to understand and easy to use. VALIC represents The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company.

**Learn**
VALIC financial seminars and online tools are available to help you learn about a variety of financial topics.

**Plan**
VALIC financial advisors can help you plan your financial future. We are committed to the same unchanging standard of one-on-one service we have delivered since our founding.

**Manage**
As you develop a plan for how to save and invest for your retirement, you may want to manage that plan yourself – with expert advice along the way. Or you may want a financial professional to manage your retirement investments at every step. Either way, we can help, with programs designed to help you manage your retirement account assets.

**Online Services**
Online account access at [VALIC.com/duke](http://VALIC.com/duke) provides convenient and secure access to your account 24/7.

**Working with your Local Financial Advisor**
Give your financial plan a sound footing with personalized financial planning from a financial advisor. Our financial advisors combine their experience and knowledge with state-of-the-art financial modeling tools to help you plan and enjoy a secure retirement.

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**Contact VALIC:**
For more information about VALIC, visit [www.valic.com/duke](http://www.valic.com/duke).

For information about how to enroll or to discuss your account, call (877) 375-2424.

To schedule an appointment with a VALIC financial advisor, contact the local office at (919) 401-3252 during regular business hours.
VALIC Investment Options

VALIC offers the following investment options to help you build a diversified retirement plan portfolio:

### Tier 1: Asset Allocation Funds for a ready-made portfolio

Consider choosing the Target Date Fund with the target date closest to your expected retirement year or the year you’ll reach Social Security retirement age or the Balanced Fund that offers a fixed exposure to stocks and bonds.

#### Target Date Funds: T. Rowe Price Retirement Funds

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<tbody>
<tr>
<td>Income</td>
<td>2005</td>
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#### Balanced Fund: Columbia Balanced

### Tier 2 - Core Funds – to build your own portfolio

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. The positioning of funds according to relative risk is not to scale, but is intended to show the general progression of risk for funds in the different asset categories.

![Asset Allocation.png](attachment:AssetAllocation.png)

**Conservative** (funds towards the top of this list have potentially more inflation risk and less investment risk)

- Principal Protection
- US Fixed Income
- US Equity – Large Cap
- US Equity – Mid Cap
- US Equity – Small Cap
- International Equity – Developed Markets

**Fixed Interest Option Fund**
- Dreyfus Bond Market Index Fund
- Metropolitan West Total Return Bond Fund
- American Century Infl-Adj Bond Fund
- Vanguard 500 Index Fund
- RidgeWorth Large Cap Value Fund
- American Funds AMCAP Fund
- Vanguard Mid Cap Index Fund
- American Century Mid Cap Value Fund
- Dreyfus Small Cap Stock Index Fund
- Goldman Sachs Small Cap Value Fund
- Janus Triton Fund
- American Funds EuroPacific Growth Fund

**Aggressive** (funds towards the bottom of this list have potentially less inflation risk and more investment risk)

- US Equity – Small Cap
- International Equity – Developed Markets

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1 Policy Form GFUA-398, a group fixed unallocated annuity, issued by The Variable Annuity Life Insurance Company, Houston, Texas.

### Tier 3 - Other Funds for the experienced investor

Other Funds are available to participants with account balance as of 5/31/2011 and include all investment options available through the plan that are not listed under Tier 1 or Tier 2. These funds are not monitored regularly by the IAC, so you will be responsible for monitoring the holdings and performance of these funds to ensure they remain in line with your investment strategy.

The fee disclosure information which includes fees and services associated with the plan is available at: [www.hr.duke.edu/benefits/retirement/performance](http://www.hr.duke.edu/benefits/retirement/performance). To view or print a prospectus for a currently offered fund, visit [www.valic.com/duke](http://www.valic.com/duke) or you can also request a copy by calling 1-800-428-2542. The prospectus contains the investment objectives, risks, charges, expenses, and other information about the respective investment companies that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money.
Target Date Funds: A Simplified Investment Approach

Researching all of a plan’s investment options may be more than you want to tackle. You may want to consider a simplified approach by investing in a Target Date Fund (also called an Asset Allocation or Lifecycle Fund). These funds are listed in Tier 1 for each investment carrier.

**How do they work?**

Target date funds make investing for retirement more convenient by automatically changing your investment mix or asset allocation over time. Once you select a target date fund, the managers of the fund make all the decisions about asset allocation, making the asset allocation mix more conservative as you near the target date (usually your retirement date).

**What are the primary benefits?**

With Target Date Funds, you enjoy broad diversification and ongoing professional management. Target date funds are automatically reallocated and rebalanced, implementing the kinds of decisions we all mean to make over our working career, but often don’t.

However, it is still important for you to periodically review your investment portfolio to determine whether the fund fits your financial situation.

**Choosing a target date fund**

The target date in the name of the fund is a useful starting point in selecting a fund, but you should not rely solely on the date when choosing a fund or deciding to remain invested in one. Information about the funds is available in the funds’ prospectus. Issues to consider include:

- Understanding the strategy and risks of the fund, as well as the risks of the underlying mutual funds held as investments.
- Finding out the fund’s performance and fees.
- Learning how the investments will change over time and when the fund will reach its most conservative mix.
- Taking into account when you plan to withdraw the money and whether the fund’s investment mix on and after the target date fit with your plans for the future.

**Should you monitor your target date fund?**

Yes. Even though the fund automatically rebalances, it is important to monitor the fund’s investments over time to ensure it is meeting your needs. Target date funds are long-term investments. They do not guarantee that you will have sufficient retirement income at the target date and it is important to note that even though the investment mix is more conservative as you reach the target or retirement date, a percentage of the assets are still invested in stocks which are subject to the ups and downs of the market like any other investment.

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**Vanguard Target Retirement Funds**

Vanguard Target Retirement Funds, a series of target date funds managed by Vanguard, will serve as the default fund for Duke’s Faculty and Staff Retirement Plan.

Unless you advise otherwise, Duke will direct its contribution to the Faculty and Staff Retirement Plan into the Vanguard Target Retirement Fund that most closely matches your 65th birthday.

You can leave these contributions in the Target Fund or choose from the other retirement plan investment carriers and a wide range of investment options.

If you would like to change where or how the contributions to your Faculty and Staff Retirement Plan are invested, you can do so by submitting a “Retirement Plan Contribution Form” or submitting changes through the Retirement Manager website. The form and access to the Retirement Manager site are available at:

- [www.hr.duke.edu/forms/index.php](http://www.hr.duke.edu/forms/index.php)
- [www.hr.duke.edu//benefits/retirement/manager/index.php](http://www.hr.duke.edu//benefits/retirement/manager/index.php)

Call Human Resources at (919) 684-5600 for more information.
Your Default Investment Option

Where do your contributions go if you don't choose a retirement plan investment carrier or investment fund?

You have the right to direct your plan contributions to one or more of Duke's retirement plan investment carriers. Each investment carrier offers a broad range of investment alternatives, intended to allow you to achieve a diversified portfolio without having to spread your assets across multiple providers.

If you select a retirement plan investment carrier, but do not make investment elections with that investment carrier, your contributions will be automatically invested in the default investment fund established under the plan for that investment carrier. The default investment funds for each investment carrier are listed under Tier 1: Target Date Funds where your contributions will be invested in the age appropriate Target Date Fund closest to the year in which you will reach age 65.

If you do not select an investment carrier for your contributions, they will be automatically deposited with Vanguard and invested in the appropriate Target Date Fund. Contributions invested in a default investment fund will remain invested in the default fund until you direct otherwise. You may transfer amounts invested in a default fund to other investment options at any time and without incurring financial penalty. However, the value of your account at the time of transfer is based on current market value and is subject to any gains or losses.

It is intended that the default investment fund for each investment carrier be a “qualified default investment alternative” (QDIA) as defined under ERISA.

How to learn more about retirement options at Duke

Some people learn better by reading, others by attending classes. Duke offers a variety of ways to help you learn more about the options available to you as you plan for retirement:

- Read your annual Personal Benefit Statement, which Duke mails to your home in the spring of each year. This document provides you information regarding your retirement plan that will help you determine whether you are on target to meet your financial goals.
- Log on to Retirement Manager at: www.hr.duke.edu/benefits/retirement/manager for access to your personalized account where you can review or change your current contributions. This site also includes tips and tools to help you learn more about investing. (Use your Duke Unique ID to set up a password-protected, personalized account).
- Attend seminars during Duke’s annual Financial Fitness Week in the spring.
- Schedule a free, one-on-one meeting with a representative from any of the retirement plan investment carriers. The schedule is available at: www.hr.duke.edu/benefits/retirement/counseling.php.
- Review your quarterly statement from your retirement plan investment carrier.
- Review the investment performance and fee disclosure information for each Duke’s investment carrier at: www.hr.duke.edu/benefits/retirement/performance/index.php.
Your Duke Retirement Plans at a Glance

This section highlights the main provisions of the plans but is subject to the terms of the legal documents, which may be modified from time to time. Where this description and the official documents vary, the official plan documents are the final authority. Duke reserves the right to change or terminate any of the plans or your eligibility for benefits for any of the plans.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Faculty and Staff Retirement Plan for Exempt Employees</th>
<th>Faculty and Staff Retirement Plan for Non-Exempt Employees</th>
<th>Employees’ Retirement Plan (Non-Exempt Employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief Description</td>
<td>403(b) Retirement Savings Plan offered by Duke</td>
<td>403(b) Voluntary Retirement Savings Plan offered by Duke</td>
<td>Pension Plan funded entirely by Duke</td>
</tr>
<tr>
<td>Type of Plan</td>
<td>Defined Contribution Plan</td>
<td>Defined Contribution Plan</td>
<td>Defined Benefit Plan</td>
</tr>
<tr>
<td>Participation</td>
<td>Your contributions to the plan are voluntary. Duke’s contributions are automatic.</td>
<td>Your contributions to the plan are voluntary.</td>
<td>Automatic</td>
</tr>
<tr>
<td>Eligibility to Participate</td>
<td>You must be a Duke employee who is not FICA exempt.</td>
<td>You must be a Duke employee who is not FICA exempt.</td>
<td>You must be a non-exempt employee having reached age 21 and worked at least 1,000 hours during your first year of employment or in any future fiscal year.</td>
</tr>
<tr>
<td>When can you join the plan?</td>
<td>You may enroll in the plan at any time upon employment.</td>
<td>You may enroll in the plan at any time upon employment.</td>
<td>You automatically become a member of the plan after you reach age 21 and complete one year of continuous service.</td>
</tr>
<tr>
<td>How much can you contribute?</td>
<td>You can make a voluntary contribution of any amount, from 1% of salary per pay period up to 80% of your salary per pay period.</td>
<td>You can make a voluntary contribution of any amount, from 1% of salary per pay period up to 80% of your salary per pay period.</td>
<td>You cannot make contributions towards the Employees’ Retirement Plan.</td>
</tr>
<tr>
<td>What are the Contribution Limits?</td>
<td>The maximum amount of contributions that can be made to your 403(b) account each year is adjusted annually by the IRS. The IRS contribution limits for the current plan year is available at: <a href="http://www.hr.duke.edu/benefits/retirement/changes/enroll.php">www.hr.duke.edu/benefits/retirement/changes/enroll.php</a>.</td>
<td>The maximum amount of contributions that can be made to your 403(b) account each year is adjusted annually by the IRS. The IRS contribution limits for the current plan year is available at: <a href="http://www.hr.duke.edu/benefits/retirement/changes/enroll.php">www.hr.duke.edu/benefits/retirement/changes/enroll.php</a>.</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Does Duke contribute to your retirement?</td>
<td>Yes, but certain exempt employees are not eligible to receive Duke’s contribution. Duke’s contribution is determined each year and published prior to the beginning of the plan year (January 1 to December 31). Duke’s contribution for the current plan year is available at: <a href="http://www.hr.duke.edu/benefits/retirement/about/facstaff/contribution.php">www.hr.duke.edu/benefits/retirement/about/facstaff/contribution.php</a></td>
<td>No, Duke provides you with a benefit in the Employees’ Retirement Plan.</td>
<td>Yes, the benefit is: 1.25% of average final pay; times Years of credited service up to 20; plus 1.66% of your average final pay; times Years of credited service over 20.</td>
</tr>
<tr>
<td>Feature</td>
<td>Faculty and Staff Retirement Plan for Exempt Employees</td>
<td>Faculty and Staff Retirement Plan for Non-Exempt Employees</td>
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</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------------------------------------------------</td>
<td>------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>How is your benefit determined?</td>
<td>The amount of your benefit varies according to how much and how long Duke and you contribute to the plan, as well as the performance of the investments you select.</td>
<td>The amount of your benefit varies according to how much and how long you contribute to the plan, as well as the performance of the investments you select.</td>
<td>The retirement benefit from the plan is determined by a formula that includes average final pay and years of credited service.</td>
</tr>
<tr>
<td>Can you take a distribution from the plan while actively working at Duke?</td>
<td>Yes, if you are over age 59 1/2 and still employed you may take a distribution on monies you have contributed. If you are employed beyond age 67 you may also withdraw the Duke contribution. You can take a hardship distribution from your voluntary retirement account, provided that the IRS requirements are met for this type of distribution. However, withdrawals prior to age 59 1/2 may be subject to IRS penalties, and some investment carriers may also charge an early withdrawal fee.</td>
<td>Yes, if you are over age 59 1/2 and still employed you may take a distribution on monies you have contributed. You can take a hardship distribution from your voluntary retirement account, provided that the IRS requirements are met for this type of distribution. However, withdrawals prior to age 59 1/2 may be subject to IRS penalties, and some investment carriers may also charge an early withdrawal fee.</td>
<td>No, you cannot take a distribution from the plan while you are employed at Duke, according to IRS regulations.</td>
</tr>
<tr>
<td>When can you receive benefits?</td>
<td>You can withdraw your contributions upon separation of service or upon retirement. However, withdrawals prior to age 59 1/2 may be subject to IRS penalties, and some investment carriers also may charge an early withdrawal fee.</td>
<td>You can withdraw your contributions upon separation of service or upon retirement. However, withdrawals prior to age 59 1/2 may be subject to IRS penalties, and some investment carriers also may charge an early withdrawal fee.</td>
<td>Normal retirement is age 65, however you may retire any time after you reach age 45 and complete 15 years of credited service. Payments can begin on the first day of any month after meeting these requirements. However, your benefits will be reduced to reflect the longer period of time that they will be paid to you.</td>
</tr>
<tr>
<td>Can you take a loan?</td>
<td>Yes, if your plan contributions are invested with TIAA-CREF or VALIC, you can borrow a certain amount from your account. Plan loans are administered by your investment carrier(s) and are subject to the terms of its plan loan program.</td>
<td>Yes, if your plan contributions are invested with TIAA-CREF or VALIC, you can borrow a certain amount from your account. Plan loans are administered by your investment carrier(s) and are subject to the terms of its plan loan program.</td>
<td>No</td>
</tr>
</tbody>
</table>
| How are benefits paid at retirement?              | You arrange your payment methods and timing with the investment carriers holding your accounts. You also can leave your money in the Duke plan subject to minimum distribution requirements, transfer all or part of your money to another tax-qualified plan (such as an IRA), or withdraw all or part of your money as a lump sum payment. | You arrange your payment methods and timing with the investment carriers holding your accounts. You also can leave your money in the Duke plan subject to minimum distribution requirements, transfer all or part of your money to another tax-qualified plan (such as an IRA), or withdraw all or part of your money as a lump sum payment. | • Single Life annuity  
• 100% Joint and Survivor annuity  
• 75% Joint and Survivor annuity  
• 50% Joint and Survivor annuity  
• Lump Sum  
• Level Income Option (if you retire before becoming eligible for Social Security benefits) |

### Learn More...Get More Information about the Duke Retirement Plans

For more information about the plans, please review the following retirement websites or contact the Benefits Office at 919-684-5600.

- General Information can be obtained at: [www.hr.duke.edu/benefits/retirement](http://www.hr.duke.edu/benefits/retirement).
# How to Enroll in the Faculty and Staff Retirement Plan

The Faculty and Staff Retirement Plan enables you to contribute to your retirement on a pre-tax basis, Roth after-tax basis or a combination of both. Before you decide to enroll in the plan, you only need to make a few key decisions:

<table>
<thead>
<tr>
<th>Contribution Amount</th>
<th>You may start by contributing as low as 1% of salary per pay period, up to 80% of salary per pay period. If you would like to contribute your maximum IRS limit on a pre-tax basis for the year, you may enroll in the automated maximum program option. The automated maximum program option will calculate your maximum contribution for the year and at the beginning of each year will adjust your deduction amount to reach the maximum limit. <strong>This maximum program option is only available for your pre-tax contributions.</strong></th>
</tr>
</thead>
</table>
| Investment Carrier(s) | Duke offers a choice of four different investment carriers. Each investment carrier offers a full range of investment options providing you with the opportunity to build a diversified investment portfolio without having to spread your investments over multiple providers. The approved investment carriers are:  
- Vanguard  
- Fidelity  
- TIAA-CREF  
- VALIC |
| Investment Fund(s) | Review the investment options to determine the right mix of investments that meet your needs. You may select/change the funds in which you would like to invest in as often as you like by contacting the investment carrier(s) directly. |

You can enroll in the Faculty and Staff Retirement Plan by following these easy steps:

1. **Set up your payroll deduction and your investment carrier allocation:**
   - **Online**
     - If you are a first time visitor to Retirement Manager, then log on as a new user using your Duke Unique ID and follow the instructions.
     - If you are a returning user, input your User ID and follow the instructions.
   - **OR**
     - **Paper**
       You may complete the Retirement Plan Contribution Form located at: [www.hr.duke.edu/forms/index.php](http://www.hr.duke.edu/forms/index.php) and return it to the Human Resources office by mail or by fax (see information in the sidebar on the right).

2. Register with the investment carrier(s) you have chosen to select your investment options and designate your beneficiary(ies). You can do this online or by paper. Additional information can be obtained at: [www.hr.duke.edu/benefits/retirement/changes/enroll.php](http://www.hr.duke.edu/benefits/retirement/changes/enroll.php).

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**Where Can I Get Help With the Process?**

If you need assistance accessing Retirement Manager or completing your forms, you may call or visit our Benefits Office, no appointment necessary.

Duke Benefits  
705 Broad St., Box 90502  
Durham, NC 27708  
Phone: (919) 684-5600  
Fax: (919) 681-8774
To do...

Enroll in the Faculty and Staff Retirement Plan

1. Enroll in Duke’s Faculty and Staff Retirement Plan using Retirement Manager – see page 16 for instructions.

2. Sign up for a free retirement enrollment seminar, [www.hr.duke.edu/benefits/retirement/seminar](http://www.hr.duke.edu/benefits/retirement/seminar) or call (919) 684-5600.

3. Meet with my preferred investment carrier to review or set up my retirement account.

4. Review my retirement investment choices for diversification and performance (Remember: Each approved investment carrier has the same tiered structure and offers a full range of investment options, providing you with the opportunity to build a diversified investment portfolio without having to spread your investments over multiple providers).

5. Consider attending seminars during Duke’s annual Financial Fitness Week in the spring.

6. _______________________________________________________________________________

7. _______________________________________________________________________________

Notes
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