Suspension of Drexel University’s Employer Contribution into 403(b) Retirement Plan

As announced on May 8 as part of Drexel’s response to the financial impact of the COVID-19 pandemic, the University is temporarily suspending its match and basic contributions to the 403(b) retirement plan from July 1, 2020, through June 30, 2021, for every faculty and professional staff member, including those at the Academy of Natural Sciences and Drexel University Online. Faculty and professional staff members are not required to take any action as part of this change. For more information, please consult the FAQs below and the Drexel Retirement webpage. You may contact the HR Service Center with any further questions at 215.895.2850 or hr@drexel.edu.

At this time, the University plans to restart its contribution in July 2021; however, the timeframe will continue to be evaluated based on the University’s financial circumstances.

Frequently Asked Questions:

1. Why is the University suspending the employer contribution?

The financial impact of the coronavirus on the economy, higher education and Drexel, in particular, has been immediate and sweeping. The University is facing a significant budget gap primarily due to the unexpected COVID-19 related expenditures and a decline in student enrollment for the upcoming academic year. As a result, Drexel must implement immediate cost-reduction measures to secure our financial position. One of these measures is the suspension the University contributions to the 403(b) retirement plan from July 1, 2020, through June 30, 2021.

The 403(b) employer contribution suspension is temporary, with plans to restart the University contribution in July 2021; however, the timeframe will continue to be evaluated based on the University’s financial circumstances.

2. When will the employer contribution be suspended?

The University contribution to 403(b) plans will stop on July 1, 2020. When you look at your third-quarter statement (usually distributed in the fall by your elected vendor, Fidelity, TIAA or Vanguard), you will see that the University contribution is no longer included. You can review your statement on your vendor’s participant portal. Your own contributions to your retirement account will not be impacted unless you choose to adjust them.

3. What actions should I take?

University contributions to the 403(b) plan will be automatically suspended, and you do not need to take any action. However, you may wish to review your retirement plan account and potentially adjust your own employee contribution. The IRS annual contribution limit on employee contributions to the 403(b) plans is $19,500 per year (for 2020). If you are age 50 or older, you may also be eligible to make “catch-up” contributions, up to an additional $6,500, for a total of $26,000.
4. Does Drexel University offer any other pre-tax plan to save for retirement?

Yes – Drexel University offers a 457(b) Retirement Savings Plan. The plan offers flexibility to save more for the future with pre-tax contributions. Eligibility is limited to Drexel Faculty and Professional Staff with a base salary of above $150,000. Contributions to this plan are in addition to any 403(b) retirement plan contributions that eligible participants may be already be making in the University 403(b) Retirement Savings Plan.

For more details on eligibility and the 457(b) Retirement Plan, visit this page.

5. How can I review my current retirement elections and/or make adjustments?

You can review your current elections and make changes online through the Employee Tab in Drexel One. Select the “403(b) Plan Management” link under the My Benefits header and follow the instructions provided.

6. Who can I talk to if I need help changing my contribution election?

A Drexel University Human Resources Service Center representative is available to assist you with the logistics of updating your retirement elections. Please contact the HR Service Center at 215.895.2850 or hr@drexel.edu. HR personnel cannot advise you on what or how to save for retirement; please consult your retirement plan vendor or a financial planning professional for advice on such matters.

7. Who can I talk to if I have questions about my account balance and investments or need help with retirement planning?

All three of Drexel’s retirement vendors, Fidelity, TIAA and Vanguard, are available to provide guidance during this trying time. You may contact them directly for a one-on-one consultation and any additional retirement planning.

Please see the following for vendor contact information:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Services</th>
<th>Contact Information</th>
<th>Business Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidelity</td>
<td>Individual Sessions</td>
<td>Register by visiting fidelity.com/atwork or call 1.800.642.7131</td>
<td>Monday-Friday: 8 a.m. to 8 p.m. (ET)</td>
</tr>
<tr>
<td></td>
<td>General Customer Service</td>
<td>1.800.343.0860</td>
<td>Monday-Friday: 8 a.m. to midnight (ET)</td>
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8. Are there other changes to the retirement plans that result from the CARES Act?

Drexel University has adopted important changes for the 403(b) plans that are permitted under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and intend to aid our employees who may be suffering financial hardship during these uncertain times. If you qualify, you may be able to do the following:

- Withdraw funds from your 403(b) plan without penalty
- Borrow up to $100,000 from your 403(b) account
- Take a loan from your TIAA account
- Suspend your Required Minimum Distributions

For more information, please visit HR’s [COVID-19 Operations page](#) and select “Retirement Loans and Distributions” under Benefits – Resources and Updates.