

2012 Contribution Limits for the 403(b) Plan and the 457(b) SMART Plan

Dear Employee:

Saving what you need for retirement can be a challenge, and participating in the supplemental retirement plans available to University employees is a great way to either start or increase your retirement savings. University employees are eligible to participate in both the University of Massachusetts 403(b) Elective Deferral Savings Plan (the "403(b) Plan") and the Commonwealth of Massachusetts 457(b) Deferred Compensation Plan (the "457(b) Plan" or "SMART Plan"). These supplemental retirement plans allow you to save and invest more for retirement with special tax advantages and the convenience of regular payroll deductions.

In 2012, the elective deferral limit is \$17,000 for contributions to the 403(b) Plan and \$17,000 for contributions to the 457(b) Plan. If you will be age 50 or over in 2012, you may also contribute up to an additional \$5,500 (the "age 50 catch-up limit") to each plan, for a total of \$22,500 per plan. **To substantially increase your savings, you may contribute up to the maximums for both the 403(b) Plan and the 457(b) Plan.** The 457(b) Plan has a "special catch-up" provision which may allow you to contribute even more; certain restrictions may apply.

The University's 403(b) Plan salary reduction agreement form, as well as information on how to start a 403(b) Plan retirement account, can be found at the University Treasurer's Office website at www.massachusetts.edu/treasurer/403b.html. Information on the 457(b) Plan can also be found at the University Treasurer's Office website at www.massachusetts.edu/treasurer/457smart.html, or by visiting www.mass-smart.com, or by contacting your campus SMART Plan representative. To speak with a SMART Plan representative, call the SMART Plan Service Center at (877) 457-1900.

For more information on the 403(b) Plan and 457(b) Plan, or to make changes to your current 403(b) contribution amount, please contact the University Treasurer's Office at (774) 455-7586.