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HUMAN RESOURCES

TO: USM Regular Status Staff Employees Who are Members of the State Employees Alternate Pension System

FROM: James E. Sansbury, Associate Vice Chancellor 

DATE: July 11, 2007

RE: Fidelity Investments, Supplemental Retirement Annuity (SRA) – 401(a) Tax Deferred Annuity Plan for “State Match”

I am pleased to inform you that the University System of Maryland (USM) is now able to implement the 401(a) Tax Deferred Annuity Plan offered through **Fidelity Investments**. The purpose of the 401(a) plan is to receive the “State Match” when an employee participates in a 403(b), 457(b) or 401(k) plan. As you may be aware, the General Assembly approved a \$600 State Match for Fiscal Year 2008 for members of the State Employees Alternate Pension System. Thus, the 401(a) plan is only available to Regular Status Staff employees who are members of the State Employees Alternate Pension System. This Fidelity 401(a) plan is in addition to the 401(a) plans currently available to you at the USM through other vendors.

The current plan vendors authorized to offer the 401(a) are: AIG-Valic, TIAA-CREF, MD Supplemental Retirement Plans (MSRP - Nationwide) and now Fidelity Investments.

This 401(a) plan offered by Fidelity became effective on July 11, 2007 and all payroll funds matched must be dated thereafter. As long as you are enrolled in one of the above mentioned supplemental plans, you do not need to take any action to receive the match. If you want to have your State Match with Fidelity, obtain a SRA Fidelity enrollment/payroll form, and make an appointment with a Fidelity representative for further information, through your Institution Benefits Coordinator. In order to maximize the number of remaining pay periods for fiscal year 2008 to obtain the Match, please submit your enrollment and payroll deduction forms to your Institution's Benefits Coordinator as soon as possible.

Internal Revenue Code regulations allow you to defer a maximum of \$15,500 through each of the SRA plans [contributions for 403(b) and 401(k) are combined] from paychecks received in calendar year 2007. A higher maximum may be deferred based on age and years of service.

Remember that it is your responsibility to monitor your contributions to the SRA plans in order not to exceed the maximum established by the Internal Revenue Code. Your Institution's Benefits Coordinator

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can assist you in calculating the number of pay periods remaining in calendar year 2007 for payroll deduction purposes.

We encourage you to continue saving towards your retirement and to communicate regularly with your vendor. Should you have any questions, please contact your Institution's Benefits Coordinator.

cc: Vice Chancellors
Presidents
SHRC Members
Benefits Coordinators
Rosario I. van Daalen, HR-USMO
W. Dale Hough – USM Payroll
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Plan Vendors