



**From the Office of the
Vice President and Chief Human Resources Officer
Brian K. Powell**

On Friday, President Struppa announced the temporary suspension of employer contributions made to the Chapman University Defined Contribution 401(a) Plan. Beginning 8/1, these employer contributions are now suspended temporarily while we manage the financial impact of the COVID-19 pandemic. Eligible employees (those working 20 or more hours per week) can continue to voluntarily contribute to their individual 403(b) Plans.

I want to emphasize that this decision weighed heavily amongst our Chapman leadership team and was the best course of action to avoid broader-based staff salary cuts or broader workforce reductions. We hope to restore Chapman employer contributions to the 401(a) Plan at the start of the new fiscal year (June 2021) or perhaps sooner, provided we begin recovering from the financial impact of COVID-19 before currently projected.

As we continue to experience and endure the effects of our current circumstances, you are not without resources. Our colleagues in Total Rewards can help you navigate through changes such as this. Below are important details you need to know, but also feel free to engage your Total Rewards team at 714-628-2734 for additional help.

Key details regarding the temporary suspension of 401(a) contributions:

Effective Date

- Chapman is suspending temporarily all employer contributions to the 401(a) Plan. Employees can continue to contribute to their 403(b) Plan.
- **This change is effective for paychecks issued on or after August 1, 2020.** The next paycheck issued to you will NOT contain the employer 401(a) Plan contribution.

Chapman Retirement Plan Programs

- Chapman has two Retirement Plan Programs, the **Defined Contribution 401(a) Plan**, and the **Tax Deferred Annuity 403(b) Plan**.
 - i. The Defined Contribution 401(a) Plan is the plan Chapman has historically contributed to for eligible employees. This employer contribution consists of two layers: (1) a 3% discretionary contribution based on base salary; and (2) a discretionary matching contribution of up to 6% of base salary for each dollar or percentage an employee contributes to their 403(b) Plan.
 - ii. The Tax Deferred Annuity 403(b) Plan is the plan to which you contribute your own salary earnings.

Vesting Schedule for the 401(a) Plan

- The 401(a) Plan's vesting schedule will not change.

- If you have already vested, which requires being continuously employed at Chapman for over 4 years, you remain vested and you own 100% of all monies in the 401(a) Plan.
- If you have been here for less than 4 years and continue your employment with Chapman you will continue to vest according to the 4-year vesting schedule.

Contributions and Changes

- If you are already contributing to your 403(b) Plan and wish to continue with no changes, no action is required. You will continue contributing without interruption.
- If you are already contributing to your 403(b) Plan and wish to make changes (e.g., increasing or decreasing your contribution), you will be required to complete and sign a new Salary Reduction Agreement.
- Eligible employees can modify their 403(b) Plan contributions at any time, up or down, stop or start, provided you stay within the following IRS limits:
 - i. For 2020, the maximum allowable 403(b) Plan contribution is \$19,500; however,
 - ii. If the eligible employee is age 50 or older, the IRS also permits a “catch-up contribution” of up to an additional \$6,500. That is on top of the \$19,500.
 - iii. If you would like to modify your withholding amount, please contact benefits@chapman.edu

TIAA and Fidelity Investments Contact Information

You are also encouraged to contact Fidelity or TIAA for personal financial planning.

TIAA

www.tiaa.org or 800 842-2776

Consultant: Heath Polzer

To schedule a phone or virtual consultation with TIAA Consultant, please call the TIAA Service and Scheduling Group at 800 732-8353 or sign up on the [TIAA Appointments](#) website

Fidelity Investments

www.mysavingsatwork.com or 800 343-0860

Consultant: Christian Frost

To schedule a phone or virtual consultation with Fidelity Consultant, please call 800 642-7131 or sign-up on the [Fidelity Appointments](#) website.