

WHOI Retirement Plan Transition

January 1, 2011

WHOI Defined Contribution Retirement Plan

Official Transition Date on January 1, 2011

As you know, on January 1, 2011 we will make our full transition from a Defined Benefit (DB) Retirement Plan to a 403(b) Defined Contribution (DC) Retirement Plan for all future retirement benefit accruals. More information on the new 403(b) DC Retirement Plan is available at www.whoiedu/HR under the Benefits page.

Employer Contributions

WHOI's contributions will begin with the first paycheck in 2011, issued on January 7th. The **Base Contribution** WHOI will make for eligible employees is equivalent to a percentage of pay (base and overtime), which is determined by a 'points' system. Points are calculated by adding together an employee's age plus service (whole years). Service is counted as one point for every year in which the employee has completed 1,000 hours of service. Both age and service will be tracked during the year to adjust for additional points and, if applicable, an upgrade to the next percentage tier (e.g., from 8% to 10% when you reach 60 points).

In addition to the Base Contribution, a special **Transition Benefit** is available to those eligible employees hired prior to January 1, 2010, who are age 50 and over. Like the base contribution, your transition benefit will be tracked during the year and adjusted when you reach the next age bracket (e.g., from 2% to 4% at age 60).

Employee Contributions

Contributions into the voluntary 403(b) plans with TIAA-CREF, Fidelity, and Vanguard will no longer be accepted after the

last pay in 2010. Effective in January 2011, your contributions will be automatically redirected to the WHOI 403(b) Defined Contribution Retirement Plan with *Diversified Investment Advisors* (DIA). For those employees who do not select specific investments under the 403(b) DC Plan before January, contributions into the Plan will be defaulted into *PortfolioXpress*, the Plan's qualified default investment alternative (QDIA).

Auto Enrollment at 4%

The Institution's 403(b) DC Plan includes an 'Auto Enrollment' feature, which will take effect in January 2011. Any employee in a regular status who is not currently contributing to the DC Plan or is contributing less than 4%, will automatically be setup to start contributing a minimum of 4% under the Auto Enrollment feature.

Employees who fall into this category will receive a separate notice of their rights and obligations for Auto Enrollment, along with the opportunity to 'opt-out' of the program. The required opt-out period of 30 days will be explained further in the notice you receive.

Preparing for the Transition

If you haven't done so already, it is strongly recommended that you take care of the following in preparation of the upcoming Retirement Plan transition on January 1, 2011:

One-on-One consultation with DIA

DIA is available to assist you with your retirement planning needs and the transition. Retirement counselors from DIA will be on-site October 26, 27, 28, con-

ducting one-on-one sessions with employees. To sign up for your half-hour appointment, please register online at www.whoiedu/timetrade.com.

Access your 403(b) DC account with DIA

To access your online 403(b) DC account, visit the DIA web site at www.divinvest.com. If signing on for the first time, please select the 'New to the plan?' link which will take you directly to the login screen to create your customer ID and password to access your account.

Make your Investment Elections

It is important for you to review the 403(b) DC Plan's investment fund options and make your investment choices based on your investment strategy and risk tolerance. However, if you do not make your own investment elections, any contributions into your 403(b) DC account will be automatically invested into the Plan's default investment option using the *PortfolioXpress* service. *PortfolioXpress* provides an automatic investment mix using the core funds in the 403(b) DC Plan, based on your normal retirement age (65), and using a moderate risk approach. You can change your investment elections at any time.

Designate a Beneficiary

It is important to name and designate a beneficiary for your 403(b) DC account. This information will not be carried over from your other retirement accounts with WHOI. You can obtain a beneficiary form from the DIA Enrollment Booklet, by contacting Diversified directly, or online at WHOI's HR/Retirement website. If you need a DIA Enrollment Booklet, please contact HR at x2253 to request one.

IMPORTANT CONTACT INFORMATION:

- Call Diversified Direct at 888-676-5512
- Diversified Direct Online at www.divinvest.com
- For Retirement Counseling, call 800-755-5801