

**AMERICAN LIBRARY ASSOCIATION
PERSONNEL POLICY MANUAL**

Item Number 402

Page 1 of 3

RETIREMENT PLAN

Revised 4/1/98

Type of Plan

ALA's retirement plan is a defined contribution plan in which both ALA and the participating employee make contributions. Contributions under the plan are applied to individual annuities issued to each participant by Teachers Insurance and Annuity Association (TIAA) and/or College Retirement Equities Fund (CREF).

Eligibility

All regular, full-time and part-time employees of the ALA headquarters staff are eligible for participation in the Teachers Insurance and Annuity Association - College Retirement Equities Fund retirement plan. Employees may participate on a voluntary basis at the time of employment or may join the plan at any time while employed at ALA. After two years, an employee is eligible to receive the employers 4% contribution. Employees contributions are made on a biweekly basis, concurrent with payroll.

Contributions

The employee has the option of contributing an additional 3% of their annual salary and the association will match the 3% contribution. Contributions to this retirement plan shall be made in accordance with the following schedule:

<u>Salary Base for Contributions</u>	<u>Participant</u>	<u>ALA</u>	<u>Total</u>
Retirement Annuity	---	4%	4%
Additional Contribution	3%	3%	6%

**AMERICAN LIBRARY ASSOCIATION
PERSONNEL POLICY MANUAL**

Item Number 402

Page 2 of 3

RETIREMENT PLAN

Revised 4/1/98

Plan contributions by participants will be by payroll deduction. Plan contributions shall be forwarded to TIAA-CREF to be applied as premiums on regular retirement annuity contracts owned by the participant and may be allocated between TIAA and CREF in any one of the following proportions, as elected by the participants:

<u>To TIAA</u>	<u>To CREF</u>
100%	0%
75	25
50	50
25	75
0	100

Participants may change their allocation at any time.

Annuity Contracts

Each participant completes a TIAA-CREF application form in order for an annuity contract to be issued. Each retirement annuity contract issued under this plan is for the sole purpose of providing a retirement income and/or death benefit and is the property of the individual participant. Each contract is between a participant and the issuing company. Provisions of regular TIAA-CREF annuity contracts are described in the booklet Your Retirement Annuity, available in Human Resources.

If a participant in TIAA or TIAA-CREF leaves the employment of the American Library Association for reasons other than retirement or disability and requests repurchase (cash) refund of the annuity, the American Library Association will approve such repurchase (refund) provided it meets the conditions under which TIAA-CREF will repurchase (refund) annuities. The repurchase (refund) value attributable to the American Library Association as well as those attributable to the participant shall both be paid to the annuitant.

**AMERICAN LIBRARY ASSOCIATION
PERSONNEL POLICY MANUAL**

Item Number 402

Page 3 of 3

RETIREMENT PLAN

Revised 4/1/98

Tax Plans

There are two separate approaches to the income tax treatment of the annuity program. Under the basic tax plan, the employee's contributions are taxed currently and ALA's contributions are taxed beginning at the time of the employee's retirement. Under the tax shelter plan, both the ALA and the employee's contributions are sheltered from tax until time of retirement. Employees who wish to participate in the tax shelter plan may obtain an "Agreement for Salary Reduction" form from the Human Resource Department.

Leave of Absence

See Personnel Policy No. 405, Retirement Plan and Insurance Coverage while on Leave of Absence.

Supplemental Retirement Annuities (SRA's)

Employees can make additional payments to their retirement plan in excess of the basic plan. However, ALA does not match contributions in excess of the basic plan. Additional contributions are made by purchasing Supplemental Retirement Annuities - cashable annuity contracts. These supplemental retirement annuities are also contracts. These supplemental retirement annuities are also available on a tax deferred basis for employees who wish that option.

Contributions to SRA's are made through payroll deduction.

Further Information

Further information on ALA's retirement plan is available in the Human Resources Department. The Summary Plan Description and the booklets "Your Retirement Annuity," "Supplemental Retirement Annuities". SPD will be distributed annually to all staff.