

# The Senate of Michigan Technological University

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## Contact Human Resources for Current Retirement Plan

### PROPOSAL 5-79

#### FACULTY TIAA-CREF RETIREMENT BENEFITS

##### **BACKGROUND:**

As a fringe benefit to the faculty, the University pays the entire contribution to either the Teachers Insurance and Annuity Association, College Retirement Equities Fund (TIAA-CREF) or the Michigan Public School Employees Retirement System (MPSERS), depending on which plan is elected by the individual faculty member. In contrast to the MPSERS retirement benefits which are fixed by legislative action, the retirement benefits under the TIAA-CREF plan depend on contributions plus earnings, and the retiree's age in accordance with actuarial tables.

By action of the MTU Board of Control in December 1976, the University's retirement contribution rate for TIAA-CREF participants was set at 16.34% of compensation, including the required social security tax. Because of the recent increases in the social security tax the TIAA-CREF retirement benefits are lagging behind the MPSERS retirement benefits. If no action is taken to change the present policy, the University's contribution rate to TIAA-CREF will fall from 10.5% to 9.19% by 1986.

##### **PROPOSAL:**

The Senate recommends that the University's percentage contribution to TIAA-CREF and social security be increased proportionally to keep pace with the increases in the social security tax.

**Adopted to Senate: 24 January 1979**

**Approved by the BOC: 16 February 1979**

**See Human Resources for Current Retirement Plan**