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TO: USM Staff (Regular and Contingent II Status) and Faculty Employees  
FROM: James E. Sansbury, Associate Vice Chancellor  
DATE: June 24, 2005  
RE: Fidelity Investments, Supplemental Retirement Annuity (SRA) – 457(b) Deferred Compensation Plan

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I am pleased to inform you that the University System of Maryland (USM) is now able to implement the 457(b) Deferred Compensation Plan offered through Fidelity Investments. This Supplemental Retirement Annuity (SRA) plan is in addition to the 457(b), the 403(b), as well as the 401(k) plan, currently available to you at the USM through other vendors. The SRA plans are available to Staff (Regular and Contingent II Status) and Faculty employees.

This plan offered by Fidelity is effective on July 1, 2005. You may obtain an enrollment/payroll form, and make an appointment with Fidelity for further information, through your Institution Benefits Coordinator. All payroll deduction forms must be dated July 1, 2005 or thereafter.

The 457(b) Plan vendors authorized to offer the SRAs are: AIG-Valic, Fidelity Investments and TIAA-CREF. The 403(b) is offered by AIG-Valic and TIAA-CREF. MD Supplemental Retirement Plans (MSRP - Nationwide) also offers the same plans plus the 401(k).

The 403(b) Tax Deferred Annuity contract with Fidelity is still under negotiation. We will keep you informed regarding the status of that plan.

Internal Revenue Code regulations allow you to defer a maximum of \$14,000 through each of the SRA plans (contributions for 403(b) and 401(k) are combined) from paychecks received in calendar year 2005. A higher maximum may be deferred based on age and years of service.

Please consult with the vendor of your choice prior to filling out your enrollment and payroll deduction forms. 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.

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                      SHRC Members                      457(b) Plan Vendors  
     Presidents                              Benefits Coordinators              W. Dale Hough – USM Payroll