Changes to the University of Pennsylvania’s Retirement Plans

As the University prepares to move to Workday, a cloud-based integrated system that will manage faculty affairs, human resources, payroll, and other essential processes, Penn will make a few changes to its retirement plans. These changes are necessary for the retirement plans to function optimally on Workday, to align with current best practices for retirement plan administration, and to allow the University to continue delivering high-quality service to faculty and staff.

The following changes will be made effective on January 1, 2019. Most participants will not be impacted by these changes. There are no changes to the structure of the Basic, Matching, and Supplemental Plans, or to the University’s contributions to your retirement plan. If you are directly impacted, you will be sent separate notification of any action required.

Matching Plan – Grandfathered “Above 5% Non-Matched” feature will migrate to Supplemental Plan

The Matching Plan has a feature available to grandfathered participants, in which Supplemental Plan contributions could be housed under the Matching Plan. This feature has been closed to new participants since 2000, but participants who elected this feature before then were permitted to continue using it. As of January 1, 2019, this feature will be discontinued. In keeping with the current structure of the retirement plans, all future contributions that fall under this grandfathered feature will instead be directed to the Supplemental Retirement Annuity (SRA) Plan. If you have been making contributions under this category, you will receive a separate notice with additional details.

Matching Plan - After-tax contribution option discontinued

As of January 1, 2019, there will no longer be an option to make after-tax contributions to the Matching Plan. Pre-tax and/or Roth contributions will continue to be permitted. If you are making after-tax contributions to the Matching Plan, you will receive a notice with the specific steps you will need to take.

SRA Plan – changes to the loan policy

- The SRA Plan currently allows a maximum of three (3) outstanding loans. Effective January 1, 2019, the maximum will change to two (2) outstanding loans. If you already have three outstanding loans as of this date, those loans will continue as usual.
- As of January 1, 2019, a new loan will not be permitted if a defaulted loan is outstanding. This does not apply to loans in good standing that were issued before January 1, 2019.

Special 15-year catch-up contribution discontinued

As of January 1, 2019, the special catch-up contribution for employees with 15 years of service will no longer be an option. The additional catch-up contribution for employees over the age of 50 will still be available.

If you have any questions, please contact the Retirement Call Center at 877-736-6738.