



Your Retirement Plans at Duke

Agenda

- **Employees' Retirement Plan (ERP)**
 - What is the ERP?
 - When can I access my pension plan?
- **Duke 403(b) Plan: Faculty & Staff Retirement Plan**
 - What is the Faculty and Staff Retirement Plan?
 - Why should I participate?

Retirement Income Sources

Your
Contributions

Duke's
Contributions



Social
Security

Your Retirement Plans at Duke

Employees paid Biweekly:

- **403(b) Plan:**
Faculty and Staff Retirement Plan
- **Defined Benefit Plan:**
Employees' Retirement Plan (ERP)

Employees paid Monthly:

- **403(b) Plan:**
Faculty and Staff Retirement Plan



Have you ever transferred from one payroll to another at Duke?



- You may be entitled to a benefit under the Employees' Retirement Plan (ERP) for employees paid biweekly.
- If you are entitled to a benefit, this frozen benefit is calculated using your years of service and compensation while you were paid biweekly.
- This frozen benefit will appear on your annual benefits statement.

What is the Employees' Retirement Plan (ERP)?

- The benefit is **defined**.
- Duke makes **all** contributions.
- You are not required to make any contributions to the plan.
- You may supplement your retirement savings through the Faculty and Staff Retirement Plan – a 403(b) plan that allows you to make voluntary contributions.



Eligibility

- You automatically become a plan member, if you:
 - Have reached age 21, and
 - Have worked at least 1,000 hours during your first year of employment or in any future fiscal year. (July 1 to June 30)



Vesting

- You will be 100% vested in the ERP upon:
 - ✓ Completion of five years of continuous service.
 - ✓ Attainment of age 65 while employed by Duke.
 - ✓ Hired after age 65.



ERP Formula

1.25% of average final compensation
TIMES
years of credited service up to 20 years
PLUS
1.66% of average final compensation
TIMES
years of credited service over 20



This calculation takes into consideration your average earnings (5 highest consecutive years of last 10 fiscal years), your age and years of credited service

When can I start to receive a benefit?

- Normal Retirement
 - Age 65 - full benefit.
- Early Retirement
 - Age 45 or older and 15 years of credited service.
 - Reduced based on age at time benefit starts.
- Deferred Retirement (working at Duke past age 65)
 - Additional 10% for extra credited service over age 65.



What are my payment options?

- Single Life Annuity.
- Joint and Survivor Annuity (50%, 75% or 100%).
- Level Income age 62 or 65.
- If lump sum value is less than \$10,000 you may be eligible for a lump sum payment.



Payments under the Employees' Retirement Plan are considered taxable income.

Discrepancy in age between you and your beneficiary will make a difference in the benefit amount.

Pension Plan Projection (ERP Employee Self-Service Tool)

Allows Participants to:

- ✓ Generate an Estimate of ERP Benefit
- ✓ Review Retirement Planning Resources
 - SPDs for ERP and Faculty & Staff Retirement Plan
 - Duke Retiree Health
 - Duke Retirement Planning Guide
 - Link to Social Security Website
- ✓ Review Personal Information
 - Date of Hire
 - Home Address
 - Last 10 Fiscal Years of Compensation
 - Updated After Every Pay Period



Duke Faculty and Staff Retirement Plan



What is the Faculty and Staff Retirement Plan?

- Also known as the 403(b) plan.
- All employees – monthly and biweekly paid – can participate with voluntary contributions in the Faculty and Staff Retirement plan
- In general, salaried employees paid monthly are eligible for the Duke contribution after completing one year of service and reaching age 21; however, vesting rules apply.
 - If you are eligible for Duke's contribution, you may be eligible to waive the one year wait. More information can be found online at: hr.duke.edu/servicewaiver.
- Enroll at anytime through Duke@Work self-service tool.

Duke contribution for eligible employees paid monthly

The 2019 formula :

*8.9% of the first \$64,750 of salary and
13.2% of annual salary in excess of \$ 64,750,
up to a statutory salary limit of \$280,000*



Example with \$69,000 Annual /Monthly Salary \$5,750:

Duke Contribution Percent	Multiplied by Monthly Salary	EQUALS: Annualized Duke Contribution
8.9%	\$64,750	\$5,763
13.2%	\$4,250	\$561
Total in 2019	\$69,000	\$6,324

Vesting

Employees hired before Jan. 1, 2012

- You are 100% vested in both employee voluntary contribution and Duke contribution.
- If you are subsequently rehired by Duke, you will continue to be 100% vested.



100% vested



100% vested



100% vested

Vesting

Employees hired on Jan. 1, 2012 or thereafter

- You are 100% vested in your employee voluntary contributions.
- You will be 100% vested in Duke's contribution upon:
 - ✓ Completion of three years of service
 - ✓ Attainment of age 65 while employed by Duke
 - ✓ Hired after age 65
 - ✓ Death while employed by Duke
 - ✓ Approval for long term disability under the Duke LTD Plan



100% vested



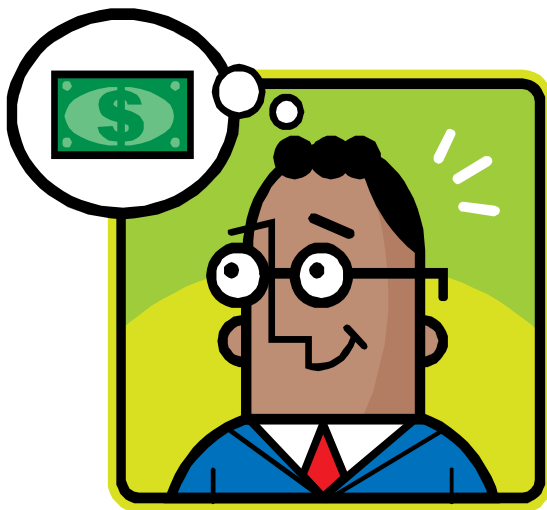
0% -100%
vested

Why should you participate in the Faculty and Staff Retirement Plan?

- This is the plan that allows you to control how much you save for retirement.
- A little saved today can mean a lot at retirement.
- Duke offers you access to quality investment options.
- Ability to roll over funds from a previous employer into the plan.

Decisions to make

How Much?



Which Funds?

You will need to make some decisions but there are resources available to help you

How much are you going to contribute?

- You can contribute a flat dollar amount or a percent of pay on a pre-tax basis, Roth after-tax basis or a combination of both.
 - Minimum: 1% of pay
 - Maximum contribution is 80% per pay period or up to IRS Limit \$19,000 for 2019 (\$25,000 for employees over age 50).
- You may use the take home calculator located at:
<https://forms.hr.duke.edu/takehomepay/>



Pre-tax contributions vs. Roth After-tax contributions



	Pre-tax contributions	Roth after-tax contributions
Contributions	Deducted from pre-tax pay	Deducted from after-tax pay
Investment earnings	Taxed at withdrawal	Tax free at withdrawal if qualifying conditions are met*
Contributions are taxed...	Upon distribution	Upon contribution
Required Minimum Distributions apply?	Yes	Yes

* You can make tax-free withdrawals of your contributions—and any earnings— provided you are at least age 59½ and made your first Roth contribution at least five years earlier.

Which Funds?

- The Investment Advisory Committee has chosen a group of funds that are regularly monitored to ensure they remain appropriate investment options for the retirement plans.
- Investments are grouped by tier. Funds in Tier 1 and Tier 2 are monitored by the IAC.
- Fidelity is the primary recordkeeping and retirement services provider.

Tier 1:
Target Date Funds

Tier 2:
Core Funds

Tier 3:
**Self-Directed
Brokerage Account**
(Not monitored by IAC)

If You Leave Duke...

Your vested 403(b) funds can:

- Remain in plan until age 70 ½.
- Be rolled over into your new employer's 403(a), 403(b), 401(k), governmental 457 plan.
- Be rolled over into an IRA.
- Be withdrawn as cash (IRS penalties may apply).





Understanding Your Investment Options in the Duke Faculty and Staff Retirement Plan



A woman with long dark hair, wearing a white lab coat, is seated at a desk in a modern laboratory or office environment. She is looking down at a laptop screen, which is partially visible on the right side of the frame. The background shows a large, open space with a high ceiling and structural beams, suggesting a professional or academic setting. A blue rounded rectangle is overlaid on the image, containing white text.

Duke Faculty and Staff Retirement Plan Investment Options

Your Investment Options

Tier	Description
Tier 1 Target Date Funds	<ul style="list-style-type: none">• Offers a way to make a single choice for your retirement needs.• Designed for investors expecting to retire around the year indicated in each fund's name.• A Target Date Fund is invested in a portfolio of mutual funds that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.
Tier 2 Core Funds	<ul style="list-style-type: none">• Includes funds from various asset classes that have been chosen by the IAC based on their suitability for inclusion in a customized retirement portfolio.• You can build your own diversified portfolio from these core funds.
Tier 3 Other Funds	<ul style="list-style-type: none">• Fidelity BrokerageLink® is a self-directed brokerage account.• Gives you access to additional mutual funds for your retirement savings beyond the target date funds and core funds available in Tiers 1 and 2.• The IAC neither evaluates nor monitors the mutual funds available through BrokerageLink®. It is your responsibility to ensure the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance.• Additional fees may apply for a brokerage account, including transaction fees and brokerage commissions for some transactions.

Tier 1: Target Date Funds

Fund Name
Vanguard Institutional Target Retirement Income Fund Institutional Shares
Vanguard Institutional Target Retirement 2015 Fund Institutional Shares
Vanguard Institutional Target Retirement 2020 Fund Institutional Shares
Vanguard Institutional Target Retirement 2025 Fund Institutional Shares
Vanguard Institutional Target Retirement 2030 Fund Institutional Shares
Vanguard Institutional Target Retirement 2035 Fund Institutional Shares
Vanguard Institutional Target Retirement 2040 Fund Institutional Shares
Vanguard Institutional Target Retirement 2045 Fund Institutional Shares
Vanguard Institutional Target Retirement 2050 Fund Institutional Shares
Vanguard Institutional Target Retirement 2055 Fund Institutional Shares
Vanguard Institutional Target Retirement 2060 Fund Institutional Shares
Vanguard Institutional Target Retirement 2065 Fund Institutional Shares

The target date investments are designed for investors expecting to retire around the year indicated in each fund's name. The investments are managed to gradually become more conservative over time as they approach the target date. The investment risk of each target date investment changes over time as its asset allocation changes. The investments are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, and foreign securities. Principal invested is not guaranteed at any time, including at or after the target dates.

Tier 2: Core Funds at Fidelity

Consists of funds from the primary asset classes (stocks, bonds, and short-term instruments) for a diversified portfolio.

Asset Class	Fund
Money Market	Vanguard Federal Money Market Investor
Stable Value	TIAA Traditional Fixed Annuity
	VALIC Fixed Interest Option
Intermediate-Term Bond	Vanguard Total Bond Market Index I
	Metropolitan West Total Return Bd Plan
Multisector Bond	PIMCO Income Instl
Large Value	MFS® Value R6
	Vanguard Equity-Income Adm
Large Blend	Vanguard Institutional Index Instl Pl
	Vanguard FTSE Social Index Inv
Large Growth	Vanguard PRIMECAP Adm
	Fidelity® Contrafund® K6
	T. Rowe Price Growth Stock I
Mid-Cap Value	American Century Mid Cap Value R6
	MFS® Mid Cap Value R6
	Fidelity® Low-Priced Stock K6

Asset Class	Fund
Mid-Cap Blend	Vanguard Extended Market Index Instl
Mid-Cap Growth	MassMutual Select Mid Cap Growth I
Small Value	Fidelity® Small Cap Value
Small Blend	Goldman Sachs Small Cap Value R6
Small Growth	Janus Henderson Triton N
	Fidelity® Small Cap Growth K6
Foreign Small/Mid Blend	Fidelity® International Small Cap
Foreign Large Blend	Vanguard Total Intl Stock Index I
Diversified Emerging Mkts	Vanguard Emerging Mkts Stock Idx Instl
Foreign Large Growth	American Funds Europacific Growth R6
	Vanguard International Growth Adm
Real Estate	Vanguard REIT Index Institutional

These funds will be monitored by Duke's Investment Advisory Committee

Tier 3: Other Funds

Fidelity BrokerageLink®

**Self-directed
Account**

**Flexibility of a
Brokerage Account**

**Expanded
Investment
Options**

- Additional fees apply to a brokerage account; please refer to the fact sheet and commission schedule for a complete listing of brokerage fees.
- The IAC neither evaluates nor monitors the mutual funds available through BrokerageLink®.
- Remember, it is always your responsibility to ensure that the options you select are consistent with your particular situation, including your goals, time horizon, and risk tolerance.

BrokerageLink includes investments beyond those in your plan's lineup. You should compare investments and share classes that are available in your plan's lineup with those available through BrokerageLink, and determine the available share class that is appropriate for your situation. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance.

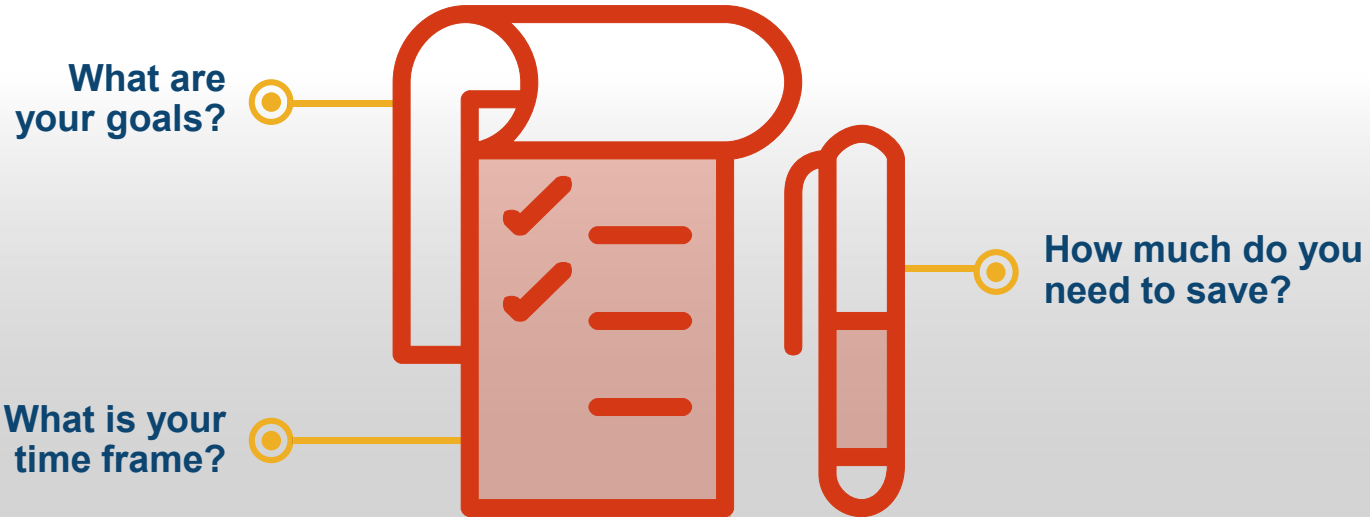


Step 1:
Define your goals





Define your goals





Step 2: Build an investment plan

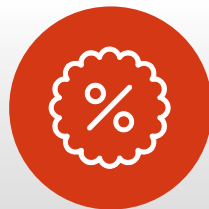




How comfortable are you with risk?



**I can handle
it pretty well**



**I can handle some
risk but not too much**



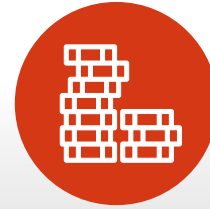
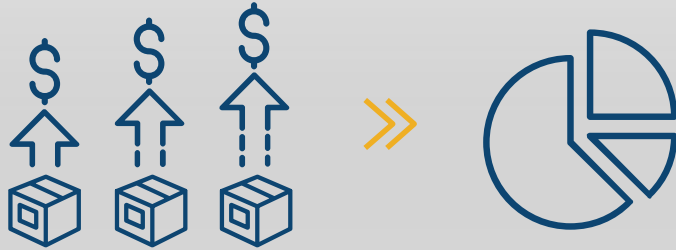
**I prefer to play it safe
to protect my money**



Invest at the right level of risk



Inflation Risk

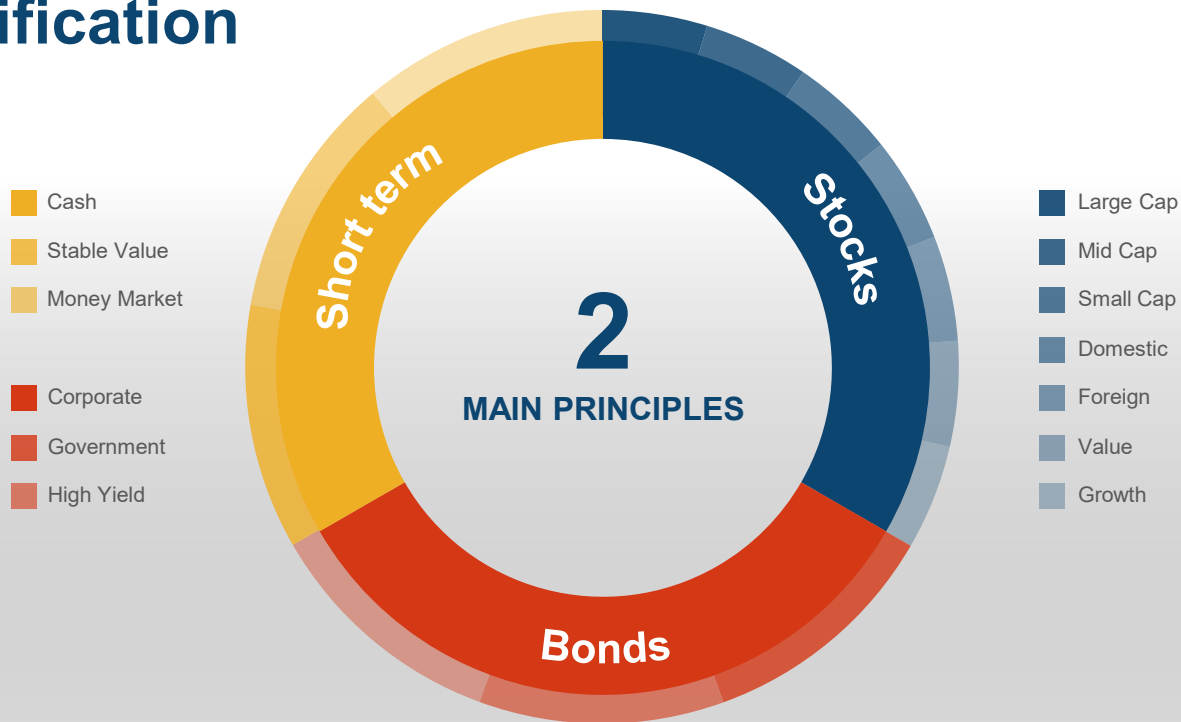


Investment Risk





Asset allocation and diversification



For illustrative purposes only.

Diversification and asset allocation do not ensure a profit or guarantee against loss.



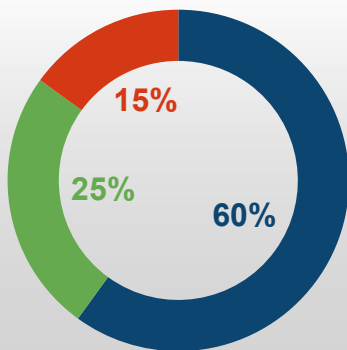
Your time horizon



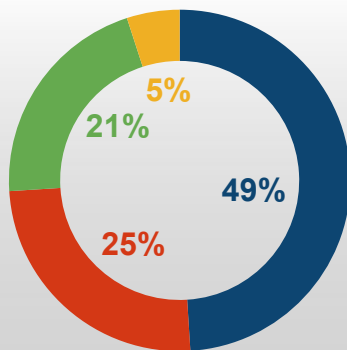


Asset allocations

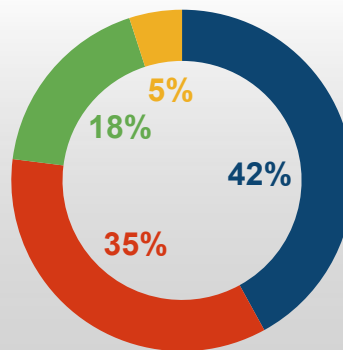
Aggressive Growth
13+ Years



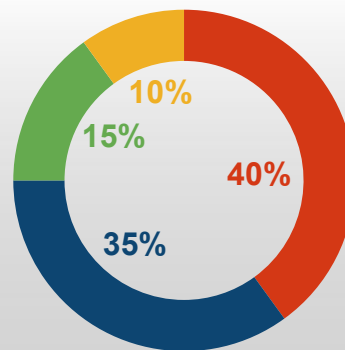
Growth
9–12 Years



Growth with Income
1–8 Years



Balanced
0–5 Years



■ Domestic Stocks ■ Foreign Stocks ■ Bonds/Fixed Income ■ Short Term

For illustrative purposes only. Diversification and asset allocation do not ensure a profit or guarantee against loss.

As a possible starting point for either your retirement or nonretirement goals, the target asset mix (TAM) is based on a measure of your time horizon. The measure of time horizon and the available default TAMs will vary by goal type. Time horizon for retirement goal type is defined as the difference between Current Year and Retirement (Goal Start) Year. Please note that this time horizon-based default TAM is just a starting point for you to begin consideration of the appropriate asset allocation. For a more in-depth look, be sure to take your risk tolerance, financial situation, and time horizon into consideration before choosing an allocation.



Performance determined by asset mix

		Jan. 2008–Feb. 2009	Mar. 2009–Feb. 2014	Jan. 2008–Feb. 2014
1.	All-cash Portfolio	1.6%	0.3%	2.0%
2.	Diversified Growth Portfolio	-35.0%	99.7%	29.9%
3.	All-stock Portfolio	-49.7%	162.3%	31.8%

Source: Strategic Advisers, Inc. Hypothetical value of assets held in untaxed accounts of \$100,000 in an all cash portfolio; a diversified growth portfolio of 49% U.S. stocks, 21% international stocks, 25% bonds, and 5% short-term investments; and all stock-portfolio of 70% U.S. stocks and 30% international stocks. This chart's hypothetical illustration uses historical monthly performance from January 2008 through February 2014 from Morningstar/Ibbotson Associates; stocks are represented by the S&P 500 and MSCI EAFE Indexes, bonds are represented by the Barclays U.S. Intermediate Government Treasury Bond Index, and short-term investments are represented by U.S. 30-day T-bills. Chart is for illustrative purposes only and is not indicative of any investment. Past performance is no guarantee of future results.



How should you adjust your portfolio as you get closer to a goal?



**Increase stock %;
lower bond %**



**Increase bond %;
lower stock %**



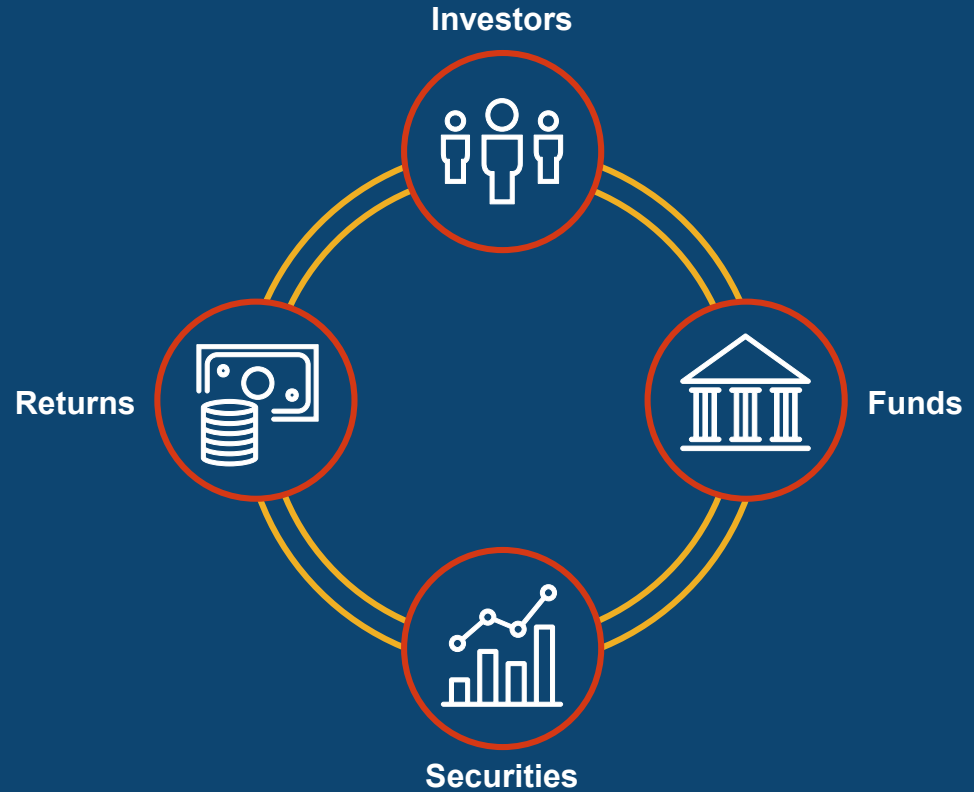
**50/50 stocks
and bonds**



**25% stocks and bonds;
75% cash or short-term
investments**



Investment funds





Investment funds

ACTIVELY MANAGED FUNDS



Higher
operating
costs



Potential to
outperform
the market

PASSIVELY MANAGED FUNDS



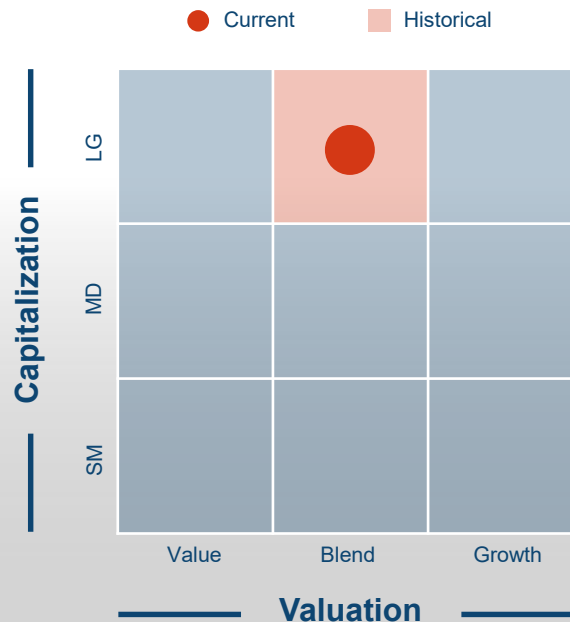
Investments
mirror a
market index*



Lower
operating
costs



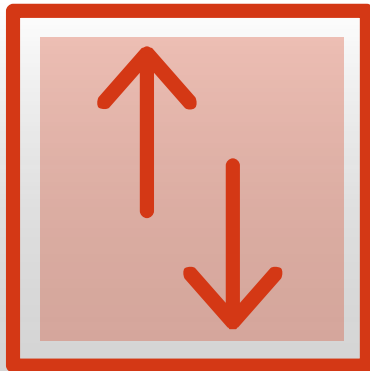
Stock funds: Equity StyleMap®



*StyleMap® depictions of characteristics are produced by Fidelity using data from Morningstar, Inc. StyleMaps estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are denoted with a dot and are updated periodically. Historical StyleMap characteristics are calculated for the shorter of either the past three years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American depository receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.



Bond prices and interest rates



Inverse relationship

Interest Rates

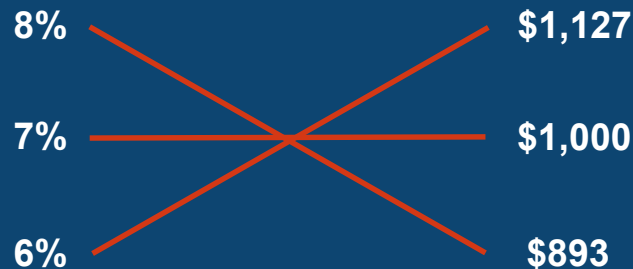
- New Bond - if held to maturity; same rate of interest
- Existing bond bought on open market – effective interest rate depending on purchase price

Bond Prices

- New Bond set price at \$1,000
- Existing Bond – depends on prevailing interest rates

Interest Rate
Yield Coupon

Price

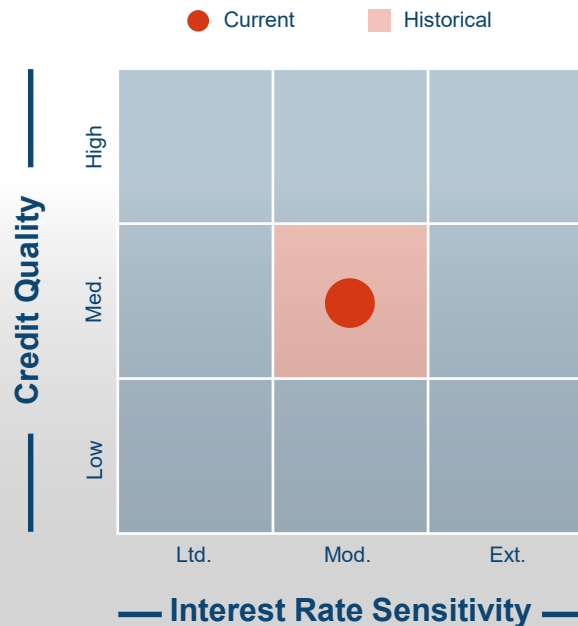




Bond funds: Fixed Income StyleMap®

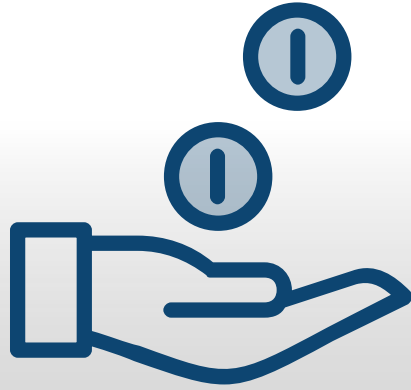


Pool your money with
other investors



*StyleMap® depictions of characteristics are produced by Fidelity using data from Morningstar, Inc. StyleMaps estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are denoted with a dot and are updated periodically. Historical StyleMap characteristics are calculated for the shorter of either the past three years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American depository receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

STEP 2



**Think about
investment accounts**

1.



Research

3.



Monitor

2.



Select investments

4.



Rebalance



Evaluate your investment options



Long-term
performance



Rankings
and ratings



Risk
measurement



Expenses
and fees



Benchmark
comparison

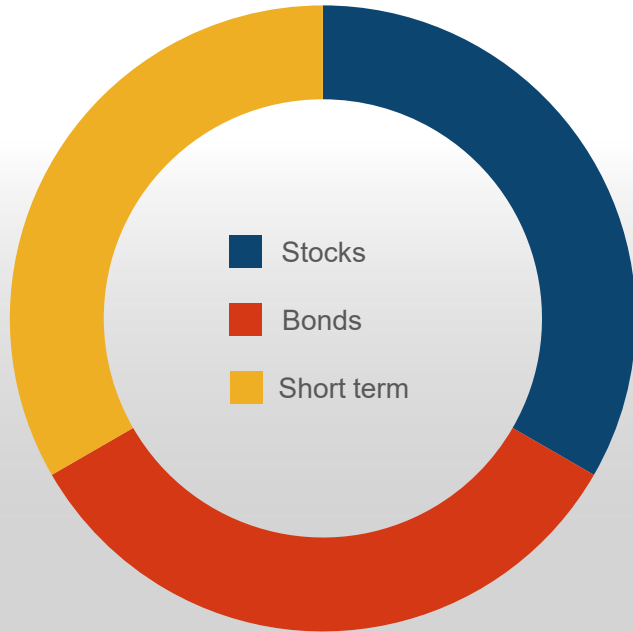


Top 10
holdings

STEP 2



Target asset mix



>> Time frame

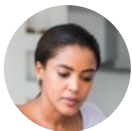


>> Financial needs



>> Comfort with risk

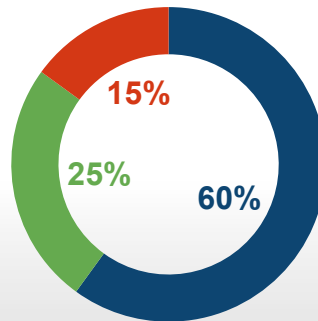
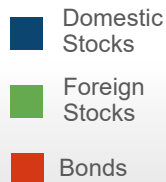
STEP 2



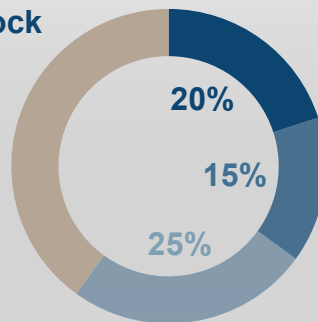
JANE

1. Choose a target asset mix
2. Determine allocation percentages within asset classes
3. Select investments

Aggressive Approach



Domestic Stock Allocation



Selecting Individual Investments





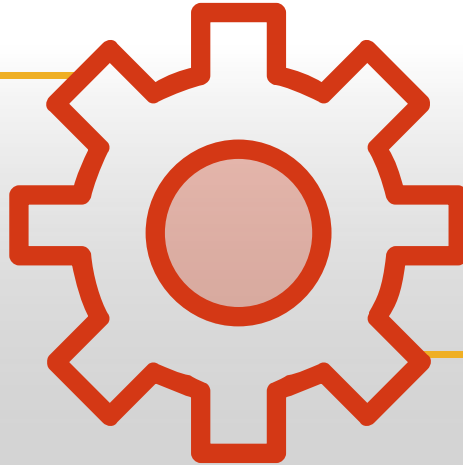
Step 3:
Continuously manage
your plan





Continuously manage your plan

**Monitor and
adjust your plan**



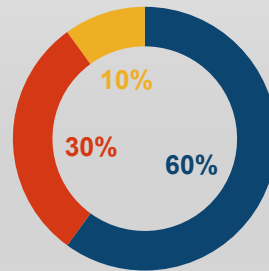
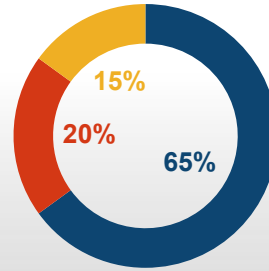
**Adopt a consistent,
repeatable strategy**



Reallocate your investments



Monitor and rebalance





How to rebalance



Managing your portfolio



Check your
current asset
allocation



Determine which
investments to
reduce or increase



Investment approaches



**Do It
Yourself (DIY)**



**Professional
Investment Help**



Professional investment help



Single-fund Solution

The target date investments are designed for investors expecting to retire around the year indicated in each fund's name. The investments are managed to gradually become more conservative over time as they approach the target date. The investment risk of each target date investment changes over time as its asset allocation changes. The investments are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, and foreign securities. Principal invested is not guaranteed at any time, including at or after the target dates.



**Should you invest in more
than one target date fund?**



YES



NO



Continuously manage your plan

**Review your
investment strategy
periodically**



**Revisit it to ensure
that the asset allocation
remains appropriate**



How frequently should you review your investments?



Annually



Semiannually



Quarterly



Monthly



Never, no need



Take the next steps





Review



**Define
your goals**



**Decide your
investment style**



**Build an
investment plan**



**Allocate and
diversify**



**Continuously
manage your plan**



Your next steps



**Visit the Planning &
Guidance Center**



**Download the
NetBenefits® app**



**Call for help
800.343.0860**

NEXT STEPS



Thank you!



Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

Investing involves risk, including risk of loss.

30-Day Treasury Bill Index is an unweighted index that measures the performance of 30-day-maturity U.S. Treasury bills.

S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

MSCI Europe, Australasia, Far East Index (EAFE) is a market capitalization-weighted index that is designed to measure the investable equity market performance for global investors in developed markets, excluding the U.S. and Canada.

Bloomberg Barclays US Intermediate Government Bond Index is a market value-weighted index of US Government fixed-rate debt issues with maturities between one and 10 years.

BofA Merrill Lynch US High Yield Index is a market capitalization-weighted index of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch). The country of risk of qualifying issuers must be an FX-G10 member, a Western European nation, or a territory of the US or a Western European nation. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. In addition, qualifying securities must have at least one year remaining to final maturity, a fixed coupon schedule and at least \$100 million in outstanding face value. Defaulted securities are excluded.

Bloomberg Barclays U.S. Aggregate Bond is a broad-based, market-value-weighted benchmark that measures the performance of the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. Sectors in the index include Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS.

Russell 2000 Index is a market capitalization-weighted index designed to measure the performance of the small-cap segment of the U.S. equity market. It includes approximately 2,000 of the smallest securities in the Russell 3000 Index.

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