On September 10, the University of Kentucky Board of Trustees approved changing UK’s retirement plan vesting schedule from five to three years. The revised vesting schedule takes effect immediately and is retroactive to January 1, 2013. This change significantly reduces the vesting period for employees who were hired on or after January 1, 2010 and who were employed with the university as of January 1, 2013, as well as employees hired after this date.

This action by the Board of Trustees will strengthen the University’s effort to attract and retain top talent. As you may know, vesting was one of several cost-saving measures introduced in recent years following unprecedented budget cuts. Productive collaborations across the University, combined with an improving economy, are enabling us to restore and expand incentives and recognition that support our shared commitment to the Kentucky Promise.

Here is what you need to know about the 403(b) vesting schedule change:

- **The reduced (three-year) vesting schedule affects employees hired on or after January 1, 2010 (and who remained employed with the university as of January 1, 2013), as well as employees hired after this date.** Because it applies retroactively, employees hired on after that date who have been employed at UK for three years (continuously) or more are now fully vested. Other employees hired after January 1, 2010 will fully vest automatically upon completing their third year of service.

- **Employees hired prior to January 1, 2010 were fully vested from the first day of employment and are not subject to the vesting requirement.** As a result, this change does not affect them.

As a vital part of our benefits and total compensation, the University’s generous 10% employer contribution is more important than ever. By reducing the vesting schedule for those employees affected, we are further strengthening these offerings for current and future employees alike.

We appreciate your feedback and ongoing involvement as we work together to continue strengthening the University’s work environment, benefits and culture. If you have questions, please contact UK Employee Benefits at 859-257-9185, option 3 or benefits@email.uky.edu.