Dear RIT Retirement Savings Plan Participant,

This newsletter is a follow-up to the announcement you received in November regarding upcoming changes that will simplify your RIT Retirement Savings Plan. As you may recall, RIT is making these changes to:

- Offer plan participants a simplified group of highly-rated investment options
- Allow RIT to monitor the performance of these investment options and make changes if appropriate
- Negotiate better fees for the recommended investment options
- Provide better visibility (transparency) regarding the fees charged to participants
- Offer a brokerage account for those participants who wish to have more investment options and are willing to monitor both the performance and fees associated with their choices.

This newsletter details what you need to do (if anything) and provides information to help you better understand the upcoming changes. Fidelity will also send you a mailing this month called Investment Information for the RIT Retirement Savings Plan (Investment Information) that will include additional details about the new structure and funds, including the TIAA-CREF investment options.

For additional information, check the HR website. We have added a new section on Retirement Plan Simplification which is updated regularly at [http://finweb.rit.edu/humanresources/benefits/retirement/simplified.html](http://finweb.rit.edu/humanresources/benefits/retirement/simplified.html).

Renee R. Brownstein—Associate Director, Human Resources

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**NEW FUND TIERS**

Currently, our retirement plans offer about 200 investment options through Fidelity and TIAA-CREF. Beginning in February, 2012, a new lineup of funds, including many new options, will be available in four tiers. You may choose to invest your money in any or all of the tiers.

**Tier 1: Target retirement date funds** – This series of funds is designed for investors expecting to retire around the year indicated in the fund name. The funds are managed to become gradually more conservative over time as people move closer to retirement. The investment risk of each fund is expected to decrease over time as it moves to more conservative investment allocations.

**Tier 2: Core mutual funds** – These are mutual funds recommended by the professional investment advisors retained by the RIT Retirement Plan Investment Committee, representing highly-rated funds within each of the key asset classes. Refer to the Frequently Asked Questions (FAQs) section on the Retirement Plan Simplification website for an explanation about asset classes.

**Tier 3: Annuities** – Annuities are insurance contracts issued by an insurance company that let you accumulate money until retirement and then receive a regular payment (often monthly) for your lifetime. An annuity can be fixed or variable. A fixed annuity pays a fixed rate of interest on your investment dollars, which is adjusted periodically. A variable annuity pays an interest amount that will vary depending on the performance of the investment accounts you choose for the annuity.

**Tier 4: Self-directed brokerage account** – This account provides a way to invest some or all of your retirement savings in a wide range of mutual funds from many different fund families. The brokerage account is available for a participant who:

- has the knowledge and expertise to research and evaluate a large number of mutual funds;
- wants to take personal responsibility for monitoring the performance and the fees of each fund he/she elects; and
- wishes to have greater choice than is available under the other three tiers.

Important information regarding the brokerage account option:

- There may be additional fees for investing in the brokerage account.
- RIT’s Retirement Plan Investment Committee is **not** responsible for monitoring investment performance or fees of any of the mutual funds accessed through the brokerage account.
- Caution: only sophisticated investors should invest through a brokerage account.
NEW FOUR-TIER INVESTMENT FUND LINEUP BEGINNING FEBRUARY 1, 2012

The chart below outlines the new investment fund lineup that will be available in the RIT Retirement Savings Plan beginning February 1, 2012. You will see that most of the investment funds in Tiers 1 and 2 are new to the RIT plan. The annuities in Tier 3 have been offered in the plan for many years. A new option, Tier 4, is a self-directed brokerage account that includes a wide range of mutual funds.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Asset Class</th>
<th>Fund</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Target Retirement Date Series</td>
<td>Mixture</td>
</tr>
<tr>
<td>3</td>
<td>Annuities</td>
<td>Annuities</td>
</tr>
<tr>
<td>4</td>
<td>Self-Directed Brokerage Account</td>
<td>Mutual Fund Window</td>
</tr>
</tbody>
</table>

NOTES:
- Fidelity will be the recordkeeper for Tiers 1, 2, and 4; this means that you will work directly with Fidelity (by phone or online) for all of the Tier 1, 2, and 4 funds even though they are not all Fidelity funds.
- TIAA-CREF will be the recordkeeper for Tier 3; this means that you will work directly with TIAA-CREF (by phone or online) for these funds.
- Refer to the Frequently Asked Questions (FAQs) section on the Retirement Plan Simplification website for an explanation about asset classes.

DIVERSIFICATION - THE RIGHT MIX OF INVESTMENTS

In developing the fund lineup, care was taken to include options in each major asset class to help you create a strategy appropriate for your goals. Each of the asset classes is more fully explained in the Investment Information mailing.

Your investment strategy should include an asset allocation – or mix of investments – that matches your financial goals and risk tolerance. No matter what your age or goals, being diversified both among and within different types of stocks, bonds, and other investments is critical. The goal of diversification is not to boost performance but to help manage risk. Diversification doesn't ensure a profit or guarantee against a loss. And while it won't maximize returns in up markets—indeed, it will likely reduce them—it can help you ride out swings in the market, because as one part of your portfolio struggles, another may be performing well. Portfolio performance can be very important at any point in your life, but becomes increasingly important as people near or enter retirement when they will depend on their portfolios for income.

Being diversified means “don't put all your eggs in one basket.” In other words, include in your savings portfolio a mix of funds that are in different asset classes. “Asset class” is a very important concept to keep in mind as you consider how you wish to invest your retirement savings going forward. The chart above identifies the asset class to which each investment option belongs. Use this information to help structure a balanced, diversified portfolio that includes multiple asset classes. So while it is important to understand and consider the underlying investment funds, building your portfolio with a focus on balancing your selected asset classes is a solid approach recommended by professional investment advisors.
KEY DATES

<table>
<thead>
<tr>
<th>When to expect it</th>
<th>What to expect</th>
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<tbody>
<tr>
<td>January 1, 2012</td>
<td>Merger of Basic and Voluntary Retirement Plans into the RIT Retirement Savings Plan.</td>
</tr>
<tr>
<td>February - May 2012</td>
<td>New investment funds available, including the brokerage account. Participants are able to transfer existing balances to the new funds.</td>
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<tr>
<td>June 1, 2012</td>
<td>Automatic transfer of existing balances from any eliminated fund to the default fund; participants may transfer their balances to any fund(s) in the new lineup at any time after this occurs.</td>
</tr>
</tbody>
</table>

NOTE: “transfer existing balances” means that one investment will be sold (i.e., liquidated) and that money will then be used to purchase the new investment.

WHAT DO I NEED TO DO?

1. Understand your current investments:
   a. Look online at www.fidelity.com/atwork, or www.tiaa_cref.org to see your current account balance(s) (refer to the HR website or the Investment Information mailing you receive from Fidelity in late December for details on how to login) and understand where you are currently investing your money (the funds you are in).
   b. Retirement funds you have previously annuitized or rolled over to an Individual Retirement Account (IRA) are not affected by the change.

2. Compare your current investments with the list of the RIT Retirement Savings Plan’s new fund lineup and determine:
   a. Those funds that will still be available for transfers and existing balances (active).
   b. Those funds that will no longer be available for transfers, but will allow you to keep your existing balances in them (frozen).
   c. Those funds that will no longer be available for transfers or existing balances (eliminated).

3. Think about what changes, if any, you would like to make. Use available resources: seek advice from financial counselors, participate in RIT educational sessions, read the materials that are mailed to your home, and read the Frequently Asked Questions (FAQs) on the HR website.

4. Beginning February 1, 2012:
   • You will be able to transfer your existing account balances into the new investment funds. Again, details on how to make this change will be provided in January.
   • The Fidelity BrokerageLink® will be available if you wish to use a brokerage account. More details regarding how to participate in the brokerage account will be available from Fidelity in January.

WHAT IF I DO NOTHING?

The following outlines what will happen if you have money in funds that will be eliminated or frozen and you have not taken any action to change your investments by the dates indicated.

• On June 1, 2012, your existing account balances in funds that are eliminated will be transferred to the default fund (assuming you have not opened a brokerage account).
• On June 1, 2012, your existing account balances in funds that are frozen will remain in those frozen funds.
• If you have opened a brokerage account, any remaining balances in eliminated Fidelity funds will be transferred, in-kind (i.e., without selling and repurchasing), to the brokerage account on June 1, 2012.

You have the right to move account balances to different investment funds at anytime. Even if you do not take action by the above dates, you can still take action at a later time.

WHAT HAPPENS TO CURRENT INVESTMENT OFFERINGS?

There are three categories for existing Fidelity and TIAA-CREF investments:

• **Active:** Funds that will continue to be offered for existing balances, and transfers in and out.
• **Frozen:** Funds that will not be available for transfers in, but existing balances may remain and be transferred out if you elect to do so.
• **Eliminated:** Funds that will not be available for existing balances (unless accessed through the brokerage account).
WHAT IS THE DEFAULT FUND?
The Retirement Plan Investment Committee has designated the Vanguard Target Retirement Series as the legally-designated “qualified default investment alternative (QDIA)” – the default fund. This default fund will be the Vanguard Target Retirement Fund closest to your 65th birthday. This is the case even if you are currently invested in a Fidelity Freedom Fund or a TIAA-CREF Lifecycle Fund that does not correspond to your 65th birthday. If you are over 65, the default fund will be the Vanguard Target Retirement Income Fund. The Investment Information mailing that Fidelity is sending you.

Fidelity funds being eliminated will be available through the brokerage account. Refer to the Investment Information mailing from Fidelity to learn about in-kind transfers (i.e., without selling and buying) to the brokerage account, including waiver of transfer fees, ongoing fees, and other important information about the brokerage account.

WHAT WILL HAPPEN TO MY FIDELITY ACCOUNTS?
Most current Fidelity funds will be eliminated; no Fidelity funds will be frozen. The only Fidelity funds that will be available in the Core Mutual Fund lineup are the Fidelity Contrafund (the share class will be changed to the K Class; refer to more details about this change in the mailing from Fidelity in late December) and the Spartan Extended Market Index Fund. Both of these funds will continue to be available for existing balances and transfers. You will find more details in the Investment Information mailing that Fidelity is sending you.

WHAT WILL HAPPEN TO MY TIAA-CREF ACCOUNTS?
Current TIAA-CREF funds will fall into one of three categories (active, frozen, or eliminated) as follows:

<table>
<thead>
<tr>
<th>TIAA-CREF Fund Name</th>
<th>Category</th>
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<tbody>
<tr>
<td>TIAA Traditional</td>
<td>Active</td>
</tr>
<tr>
<td>CREF Stock Account</td>
<td>Active</td>
</tr>
<tr>
<td>CREF Money Market Account</td>
<td>Active</td>
</tr>
<tr>
<td>CREF Bond Market</td>
<td>Frozen</td>
</tr>
<tr>
<td>CREF Equity Index</td>
<td>Frozen</td>
</tr>
<tr>
<td>CREF Global Equities</td>
<td>Frozen</td>
</tr>
<tr>
<td>CREF Growth</td>
<td>Frozen</td>
</tr>
<tr>
<td>CREF Inflation-Linked Bond</td>
<td>Frozen</td>
</tr>
<tr>
<td>CREF Social Choice</td>
<td>Frozen</td>
</tr>
<tr>
<td>TIAA Real Estate</td>
<td>Frozen</td>
</tr>
<tr>
<td>TIAA-CREF International Equity Index Fund</td>
<td>Eliminated</td>
</tr>
<tr>
<td>TIAA-CREF Large-Cap Value Index Fund</td>
<td>Eliminated</td>
</tr>
<tr>
<td>TIAA-CREF Mid-Cap Growth Fund</td>
<td>Eliminated</td>
</tr>
<tr>
<td>TIAA-CREF Mid-Cap Value Fund</td>
<td>Eliminated</td>
</tr>
<tr>
<td>TIAA-CREF Small-Cap Blend Index Fund</td>
<td>Eliminated</td>
</tr>
<tr>
<td>TIAA-CREF Lifecycle Funds (all)</td>
<td>Eliminated</td>
</tr>
</tbody>
</table>

The TIAA-CREF funds identified in the “eliminated” category are available in the brokerage account, with the exception of the TIAA-CREF Lifecycle Funds. The TIAA-CREF Lifecycle Funds are not available in the brokerage account.

WATCH FOR MAILING COMING FROM FIDELITY
You will soon receive the Investment Information mailing from Fidelity that includes more detailed information about all the investment funds. TIAA-CREF will also include information about their funds in this mailing. This document will include a description of each fund, its objective, stated strategy, risk, and identification of short term trading fees, if any. It will also identify the funds no longer available, whether you can access them through the new self-directed brokerage account, and where your funds will be invested if you take no action.

Please note that the Investment Information document is addressed to all plan participants, and has references to contributions for active employees that are not applicable to you as an inactive participant.

MERGER OF THE BASIC AND THE VOLUNTARY RETIREMENT PLANS – WHAT DOES THIS MEAN TO ME?
Effective January 1, 2012, RIT’s Basic Retirement Plan and Voluntary Retirement Plan will be merged into one plan. The new plan will be called the RIT Retirement Savings Plan. Please note that you do not need to take any action.
TIAA-CREF RA & GSRA ACCOUNTS

RIT will continue to offer the TIAA-CREF Retirement Annuity (RA) account and the Group Supplemental Retirement Annuity (GSRA) account in the RIT Retirement Savings Plan. The RA and GSRA offer the same fund choices, but there are a couple of differences:

- **TIAA Traditional Liquidity and Guaranteed Interest Rate**
  - **Under the RA**, there are liquidity restrictions for the account. This means that you can only transfer 10% per year over a 9 year and 1 day period into another investment option under the plan. Because of the liquidity restriction, the guaranteed interest rate is higher than under the GSRA. As of December 1, 2011, the guaranteed interest rate is 3.35% under the RA.
  - **Under the GSRA**, there are no liquidity restrictions for the account. This means that you can transfer all or a portion of your TIAA Traditional fund balance into another investment option under the plan. In exchange for this flexibility, the guaranteed interest rate is lower than under the RA. As of December 1, 2011, the guaranteed interest rate is 3.00% under the GSRA.

SIGN UP FOR ELECTRONIC DELIVERY OF DOCUMENTS

We strongly encourage you to sign up for electronic delivery of documents from Fidelity and TIAA-CREF, which:

- Provides convenient 24/7 access.
- Helps the environment.
- Reduces the amount of paper you have to store.

See the FAQs section of the HR Retirement Plan Simplification website for the types of communication you could receive electronically if you sign up for electronic delivery of documents.

<table>
<thead>
<tr>
<th>To sign up for electronic delivery from <strong>Fidelity</strong></th>
<th>To sign up for electronic delivery from <strong>TIAA-CREF</strong></th>
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</thead>
<tbody>
<tr>
<td>1. Log on to Fidelity NetBenefits: <a href="http://www.fidelity.com/atwork">www.fidelity.com/atwork</a>. If you have not previously logged in, you must set up a login ID and password.</td>
<td>1. Log on to TIAA-CREF’s website: <a href="http://www.tiaa-cref.org/eDelivery">www.tiaa-cref.org/eDelivery</a>.</td>
</tr>
<tr>
<td>2. Click on your plan name.</td>
<td>2. Click Sign Up for eDelivery.</td>
</tr>
<tr>
<td>3. Visit Your Profile tab.</td>
<td>3. Enter your User ID and Password.</td>
</tr>
<tr>
<td>4. Click Email Address to enter your preferred email address.</td>
<td>4. Read the Terms and Conditions of eDelivery.</td>
</tr>
<tr>
<td>5. Review Mail Preferences and Email Settings to elect which types of communication you would prefer to receive electronically.</td>
<td>5. Click Edit My eDelivery Preferences.</td>
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<td></td>
<td>6. Provide email address for eDelivery.</td>
</tr>
<tr>
<td></td>
<td>7. Click Save My eDelivery Preferences.</td>
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RESOURCES

We understand that the changes we are making to simplify RIT’s retirement plans are complex. Therefore, we have a few resources to help plan participants through this transition.

**Human Resources Department Website**

The Human Resources Department has created a separate page on our website devoted to the upcoming changes. Information will be posted as it becomes available, including all of the communications we send to you, a timeline for the changes, Frequently Asked Questions (FAQs) that will be updated regularly, and details about the investment options. If you have a question that is not posted:

- Click on the **Submit a Question** link on the Retirement Plan Simplification web page; or
- Call the **Benefits Hot Line** at (585) 475-5016/v and leave a detailed question as well as your name and contact information.

**Contacts**

For questions to Fidelity, call (800) 343-0860/V and (800) 259-9734/TTY

For questions to TIAA-CREF, call (800) 842-2776/V and (800) 842-2755/TTY
ATTENTION:

Important information enclosed about new investment options available for RIT Retirement Savings Plan Participants.