



Retirement Program Action Guide

For VALIC and Lincoln Financial Group ORP Participants



Appalachian State University

East Carolina University

Elizabeth City State University

Fayetteville State University

North Carolina A&T State
University

North Carolina Central
University

North Carolina State University

North Carolina School of
Science and Mathematics

University of North Carolina
at Asheville

University of North Carolina
at Chapel Hill

University of North Carolina
at Charlotte

University of North Carolina
at Greensboro

University of North Carolina
at Pembroke

University of North Carolina
at Wilmington

University of North Carolina
School of the Arts

Western Carolina University

Winston-Salem State University

Other Affiliates:

- University of North Carolina
Health Care
- University of North Carolina
Press

Time to Act

In 2014, UNC’s retirement programs have been updated to provide you with more streamlined investment choices and lower recordkeeping and investment fund fees for the plans. As a result, two of the ORP’s current investment carriers — VALIC and the Lincoln Financial Group — will no longer be offered to participants. As a VALIC and/or Lincoln Financial Group investor, this guide is designed to walk you through what you need to do with your VALIC and Lincoln Financial Group investments by December 31, 2014.

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How Does the Change Affect You?

How the change affects you is based on whether you are an active, former or retired employee and the type of investment you currently have with VALIC and/or Lincoln Financial Group.

Active/Former Employees

If you are enrolled in the UNC Optional Retirement Program (ORP) with VALIC and/or Lincoln Financial Group, you have until the end of this year to enroll with TIAA-CREF or Fidelity and to transfer your mutual fund investments (**see chart on pages 5 and 6**).

If you are enrolled in the UNC Governmental Excess Benefit Arrangement (415(m) Plan) and you have assets with VALIC and/or Lincoln Financial Group, your entire account balance will be transferred automatically to TIAA-CREF and invested in an age-appropriate Vanguard Target Date Fund.

VALIC

If you take no action, your VALIC annuity assets and mutual fund fixed investment option assets (20% restriction applies to the Fixed Account Plus and the Mutual Fund Fixed investment options) will remain at VALIC, unless you choose to transfer those funds to the new investment options. Your VALIC mutual fund equity assets will be transferred automatically to TIAA-CREF and invested in age-appropriate Vanguard Target Date Fund.

Lincoln Financial Group

Your Lincoln Financial Group mutual fund account balances will be transferred automatically to TIAA-CREF and invested in an age-appropriate Vanguard Target Date Fund.

Note: If you currently contribute to a VALIC and/or Lincoln Financial account, you will need to change your future contributions to Fidelity and/or TIAA-CREF by December 31, 2014. You must complete UNC's "Notice of Change in Retirement Vendor (Form ORP-2)." If you do not take action, your future contributions will be invested automatically with TIAA-CREF in the age-appropriate Vanguard Target Date Fund.

Retired Employees (including faculty members on Phased Retirement)

If you are enrolled in the ORP and still have **“accumulating”** accounts with VALIC and/or Lincoln Financial Group, **you will need to take action prior to the end of the year** or your account may be transferred automatically to the age-appropriate Vanguard Target Date Fund using TIAA-CREF as the provider (**see chart on pages 5 and 6**).

If you are enrolled in the UNC Governmental Excess Benefit Arrangement (415(m) Plan) and you have assets with VALIC and/or Lincoln Financial Group, your entire account balance will be transferred automatically to TIAA-CREF and invested in an age-appropriate Target Date Fund.

Remember to review the Frequently Asked Questions at the end of this guide to see how transferring your funds out of the plan may affect your eligibility for health insurance and favorable tax treatment under the Bailey Settlement.

Note: If you take no action, a “blackout period” will occur when your funds are transferred from VALIC and/or Lincoln Financial Group to TIAA-CREF. During this period, you will not have access to your account to make any changes. The blackout period for VALIC and Lincoln Financial Group will take place in January. You will receive notice from each carrier in advance.

How Do I Know What Type of Investments I Have?

To find out what type of investment funds you currently have, check your most recent retirement statement. You can also call VALIC and/or Lincoln Financial Group directly.

A listing of VALIC and Lincoln Financial Group mutual funds that will be closed to ORP participants as of December 31, 2014 can be found in Exhibit A on page 12.

Mutual Funds

If you invested in a fund in the **Lincoln Alliance Program** or **VALIC Mutual Fund Platform**, your funds need to be moved to TIAA-CREF or Fidelity by the end of the year. If you take no action, your mutual fund investments will default into an age-appropriate Vanguard Target Date Fund with TIAA-CREF.

Annuity Contracts

If you participate in the ORP and you have an annuity contract with VALIC or Lincoln, your money will remain in that contract unless you choose to move it. **Funds that are part of the following Lincoln Financial Group platforms are not required to move:**

Lincoln Financial Group contracts

- MultiFund Individual Variable Annuity
- MultiFund Select Variable Annuity
- Group Variable Annuity

NOTE: If you participate in the UNC Governmental Excess Benefit Arrangement and you have annuity assets with VALIC or Lincoln Financial Group, your entire account balance will be transferred automatically to TIAA-CREF and invested in an age-appropriate Vanguard Target Date Fund.

If you are not sure which platform your funds are invested in, contact either VALIC or Lincoln Financial Group. Contact information is located on page 9.

Special Note

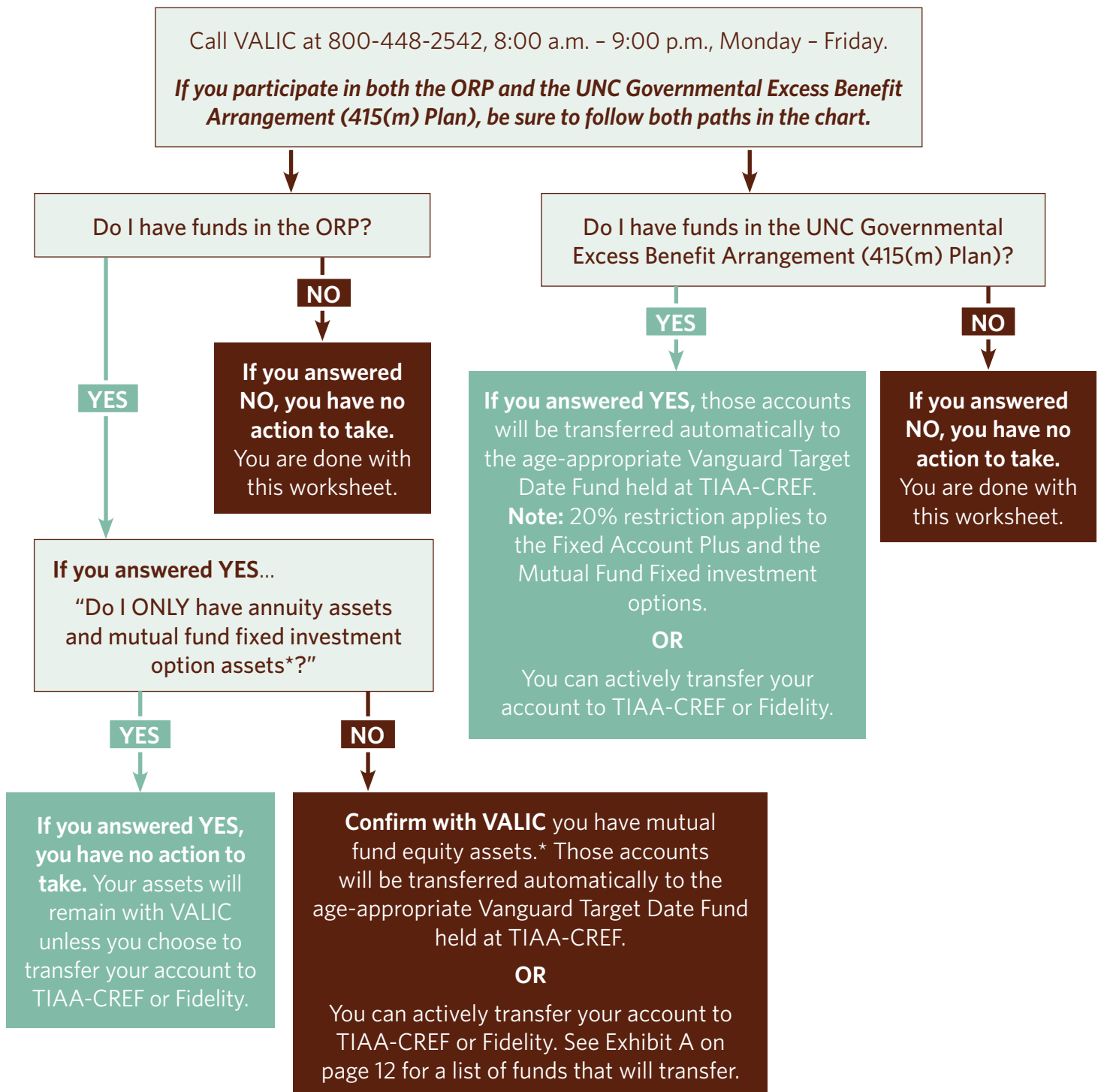
VALIC — If you have investments in VALIC annuity assets and/or mutual fund fixed investment option assets, your funds may be moved to TIAA-CREF or Fidelity by the end of the year, but the movement of funds will require your consent and action. VALIC recently informed the University that formal consent is required to transfer these funds.

If you do nothing, your VALIC annuity assets and/or mutual fund fixed investment option assets will remain at VALIC. Note: If you decide to move your investments to Fidelity or TIAA-CREF at a later date, you may do so at any time. You will need to provide your formal consent.

Lincoln Financial Group — If you have investments in a Lincoln Financial Group fixed interest account, and you take no action, those accounts will be moved in full in mid-January 2015 and will be placed into the age-appropriate Vanguard Target Date Fund held at TIAA-CREF. Formal consent to transfer the funds is not required by Lincoln Financial Group.

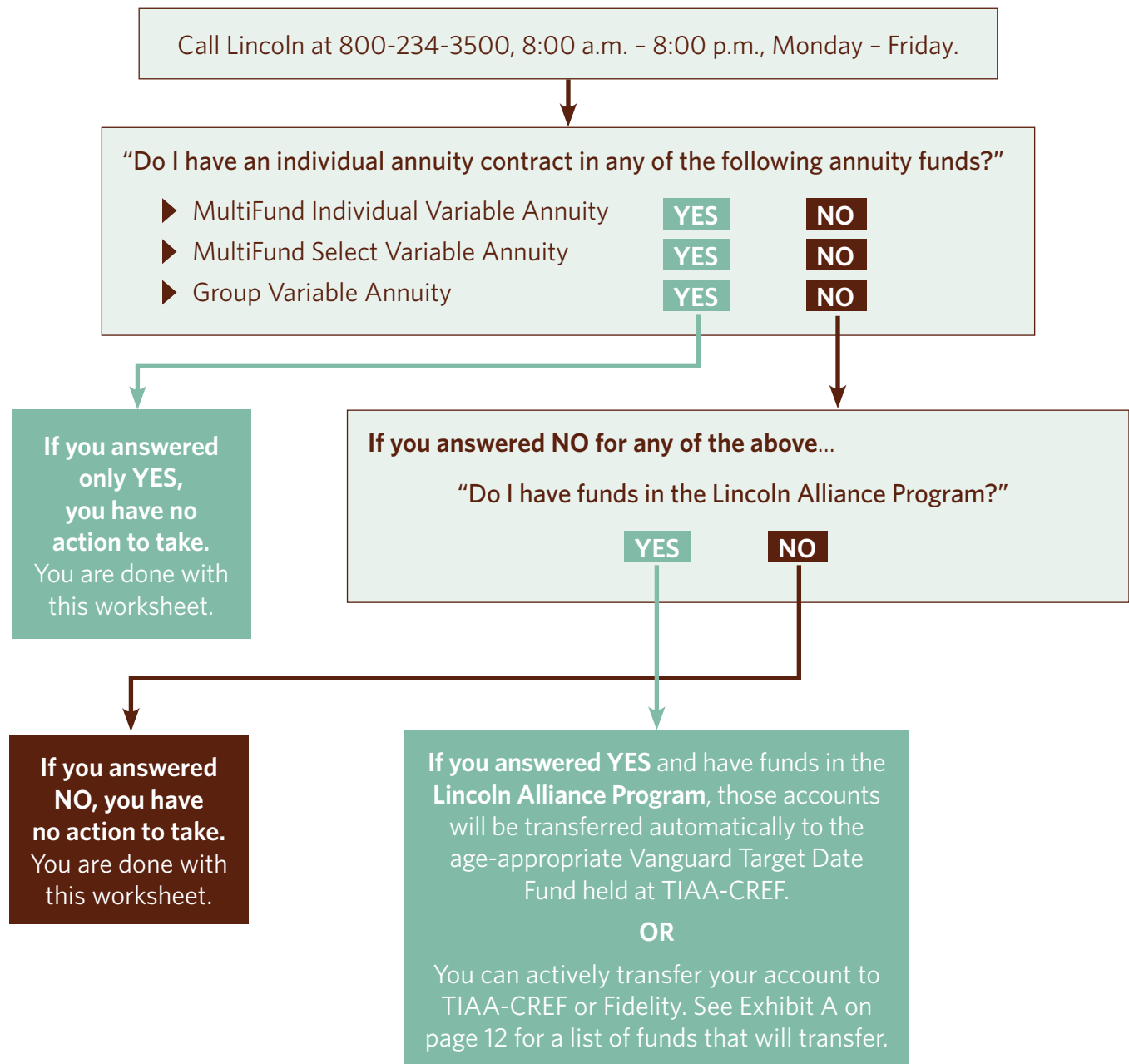
Reminder: We recommend that you talk to a CAPTRUST representative or your own financial planner/advisor for help making new elections for future investments.

What You Need to Do... If You Have Investments with VALIC



* Please note there is a difference between mutual fund investment assets and mutual fund equity assets. Call VALIC to find out which type of assets you have.

What You Need to Do... If You Have Investments with Lincoln Financial Group



Investment Advice

We realize how important it is to you to make the most of the money you're saving for retirement. We strongly recommend that you schedule a meeting with CAPTRUST, the University's investment advisor. You'll learn more about the changes and have a chance to get answers to your investment questions and review your investment choices. This is an important step to ensure you continue to get the most out of the retirement program through diversification and your choice of investment options. You can receive one-on-one counseling or attend a group meeting or webinar.

Individual Meeting

To schedule an appointment with a financial advisor, visit: www.captrustadvice.com.

1. Choose "Schedule an Appointment".
2. Choose the timeslot that works for you.
3. Enter your contact information.
4. Select "Schedule It." You will receive a confirmation e-mail at the address you provide and a reminder e-mail the day before your appointment.

To speak with a financial advisor without an appointment, call 800-967-9948. Be sure to have at least 60 minutes available for your consultation.

Hours: Monday – Thursday, 8:30 a.m. – 5:30 p.m. (ET);
Friday: 8:30 a.m. – 4:00 p.m. (ET)

Helpful tip: Have your latest retirement statement(s) on-hand for your session.

Additionally, TIAA-CREF offers one-on-one advice and counseling sessions at all UNC locations, and Fidelity will offer one-on-one sessions on all UNC campuses, so you can get the support you need from whichever resource is best for you — from CAPTRUST, TIAA-CREF or Fidelity. You may also contact the provider directly and speak with one of their financial consultants. To contact TIAA-CREF, call 800-842-2888. To contact Fidelity, call 800-343-0860.

Group Meetings and Webinars

CAPTRUST, TIAA-CREF and Fidelity investment advisors will also host group meetings on all UNC campuses through fall 2014. In addition, you may participate in a webinar. To sign up for a webinar, go to www.northcarolina.edu/hr/unc/benefits/retirement.

Webinar Schedule

November 11th	11:00 a.m. ET and 3:00 p.m. ET
November 13th	11:00 a.m. ET and 5:00 p.m. ET
November 18th	2:00 p.m. ET
November 21st	10:00 a.m. ET

Retiree Meeting Schedule

In addition to the campus meetings held for all participants, CAPTRUST will hold the following meetings for retirees:

November 7th	10:00 a.m. – 11:30 a.m. ET 2:00 p.m. – 3:30 p.m. ET	Asheville	The Grand Bohemian Hotel 11 Boston Way, Asheville, NC 28803
November 10th	10:00 a.m. – 11:30 a.m. ET 2:00 p.m. – 3:30 p.m. ET	Research Triangle Park	Marriott at RTP 4700 Guardian Dr., Durham, NC 27703
November 13th	10:00 a.m. – 11:30 a.m. ET 2:00 p.m. – 3:30 p.m. ET	Greenville	Hilton Greenville 207 Greenville Blvd., SW, Greenville, NC 27834
November 14th	10:00 a.m. – 11:30 a.m. ET 2:00 p.m. – 3:30 p.m. ET	Charlotte	Hilton Garden Inn 7831 Gateway Lane, Concord, NC 28027

How to Open an Account and Transfer Your Investments to Fidelity and/or TIAA-CREF

To transfer your investments from one carrier to another, you will need to download the following forms:

- 1 Form ORP-2 (Notice of Change in Retirement Vendor): Go to www.northcarolina.edu/hr/unc/benefits/retirement, click UNC Optional Retirement Program, go to Forms & Booklets and click on the ORP-2 Form to download the form.
- 2 If you are enrolling/transferring funds to **Fidelity**, you will need to complete the following forms. You may also contact Fidelity to set up an appointment to complete the necessary forms.
 - a. Fidelity Enrollment Form: Go to <https://nb.fidelity.com/public/nb/unc/home> and click the ENROLL NOW button. On the next screen, select the UNC Optional Retirement Program and begin your enrollment.
 - b. Fidelity Transfer Form: Go to https://nb.fidelity.com/bin-public/070_NB_PreLogin_Pages/documents/TransferRolloverExchange_091114_EP.pdf to access the form.
 - c. VALIC Transfer Form: If you have assets with VALIC, call **800-448-2542** to obtain the form.
 - d. Lincoln Financial Group Transfer Form: If you have funds with Lincoln Financial Group, call **800-234-3500** to obtain the form.
- 3 If you are enrolling/transferring funds to **TIAA-CREF**, you will need to complete the following forms. You may also contact TIAA-CREF to set up an appointment to complete the necessary forms.
 - a. TIAA-CREF Enrollment Form: Go to <http://www1.tiaa-cref.org/tcm/unc>, select your institution from the drop down box and then the ENROLL NOW button. On the next screen, select the Optional Retirement Program and download the enrollment form.
 - b. TIAA-CREF Transfer Form: Go to <http://www1.tiaa-cref.org/tcm/unc>, select your institution from the drop down box, and then look under the GET RESOURCES box, Advice & Planning, then select the Consolidate your Investments with TIAA-CREF PDF form.
 - c. VALIC Transfer Form: If you have funds with VALIC, call **800-448-2542** to obtain the form.
 - d. Lincoln Transfer Form: If you have funds with Lincoln, call **800-234-3500** to obtain the form.
- 4 Return your completed ORP-2 Form to your campus HR/Benefits representative, or if you have been working with one of the vendor representatives, they may collect your forms for processing and will forward the ORP-2 Form onto your campus for processing. If you are transferring funds from VALIC, forms must be received no later than January 12, 2015, in order for the transfer to occur before the blackout period. If forms are received after January 12, 2015, the transfer of funds will not occur until February 4, 2015.

Important Reminder Regarding Eligibility for Health Insurance with the State of North Carolina

You may be eligible to continue health insurance with the North Carolina State Health Plan when you are in receipt of a monthly retirement benefit. If you are already receiving income in the form of an annuity payment from VALIC or Lincoln, these funds will not be transferred and will not impact your healthcare benefits; however, if you are receiving systematic withdrawals or still have an active “accumulating” investment balance with VALIC or Lincoln in the VALIC mutual fund platform or the Lincoln Alliance Program platforms, you will need to take action.

Resources

When it comes to planning and saving for retirement, you don't have to do it alone. There are a variety of tools and resources available any time you need them — support is just a click or phone call away. Keep this contact information handy for future reference.

Contact ...	At ...
CAPTRUST	800-967-9948 or www.captrustadvice.com Representatives are available 8:30 a.m. – 5:30 p.m., Monday – Thursday; 8:30 a.m. – 4:00 p.m., Friday.
Fidelity	800-343-0860 or www.plan.fidelity.com/unc Representatives are available 8:00 a.m. – 12:00 midnight, Monday – Friday.
TIAA -CREF	800-842-2888 or www.tiaa-cref.org/unc Representatives are available 8:00 a.m. – 10:00 p.m., Monday – Friday; 9:00 a.m. – 6:00 p.m., Saturday.
Lincoln Financial Group	800-234-3500 or www.lfg.com/unc Representatives are available 8:00 a.m. – 8:00 p.m., Monday – Friday.
VALIC	800-448-2542 or www.VALIC.com/uncorp Representatives are available 8:00 a.m. – 9:00 p.m., Monday – Friday.

Explore www.northcarolina.edu/hr/unc/benefits/retirement

In addition to contacting our trusted investment carriers and advisors directly, you can find a variety of useful information about UNC's retirement programs available online at www.northcarolina.edu/hr/unc/benefits/retirement, including the "Transition Guide for Retirement Program Changes" and "Your Mandatory Retirement Plan Decision Guide." These materials provide key provisions about the plans. Log on and explore all the information available at your fingertips.

Questions?

It's natural to have questions, even after you review all the materials and resources UNC is providing. In addition to the online materials and access to our investment carriers and advisors, please review the Frequently Asked Questions. Then, if you still have questions, please contact your campus HR Benefits Representative.

Frequently Asked Questions

Q1. Why did UNC make these changes to the Retirement Program?

This was an important decision made with a great deal of consideration. Our goal is to offer the best retirement program possible, with your financial future in mind. With these recent changes, we focused on simplifying your decision-making process, streamlining investment choices and reducing record-keeping and investment fund fees. We worked on your behalf, and the process was guided by the University's Investment Policy Statement. Also per the governance document, professional staff, including the UNC System Benefits Committee and an outside investment advisory firm (CAPTRUST Financial Advisors), participate in the process. They assist with overseeing and monitoring the investment management, performance and expenses associated with the administration of our retirement programs.

This oversight and monitoring process ensures that UNC's investment options are maintained consistent with the Investment Policy Statement, that the UNC retirement programs and their participants receive the services promised in vendor contracts, and that the investment and administrative expenses charged to the plan by investment providers and service providers are reasonable.

Q2. How can UNC make decisions that impact my vested retirement contributions?

Question 1 describes the careful process that governs retirement program decisions. For your contributions, it's helpful to remember that, while you may be 100% vested in the plan, your contributions are considered assets of the retirement program. Any changes made by the Plan Administrator on behalf of the retirement program, including the removal of a carrier or investment fund, apply to you and your contributions.

Q3. Do I have to wait until the end of the year to move my funds from VALIC and/or Lincoln Financial Group?

No. You can complete your investment elections and reallocation of your investments prior to the end of the year.

Q4. What if I do not like the funds I've been mapped to? Can I change and choose other funds?

You can change your investment election and/or reallocate your existing balances at any time to the fund(s) of your choice. All participants who do not take action by 2014 year-end will be enrolled with TIAA-CREF. At that point, all future contributions, as well as mutual funds with VALIC and Lincoln Financial Group, will be invested in the age-appropriate Vanguard Target Date Fund offered by UNC. If you take no action and are automatically enrolled with TIAA-CREF, your Lincoln Financial Group funds and your VALIC funds will be mapped in January 2015. You can change your investment election and or reallocate your existing balance after it has been mapped to any of the investment options offered.

Q5. If I currently invest in a VALIC and/or Lincoln Financial Group fund(s) and transfer my funds to TIAA-CREF or Fidelity, will I need to update my beneficiary?

When you enroll with TIAA-CREF or Fidelity, you will select your investment and beneficiary elections at that time. If you are an active employee and currently contributing to VALIC and/or Lincoln Financial Group, you will also need to complete UNC's Notice of Change in Retirement Vendor (Form ORP-2).

Q6. Will these changes impact my retiree healthcare benefits?

Under the ORP, you may be eligible to continue health insurance under the North Carolina State Health Plan when you retire and elect a monthly retirement benefit. If you are already receiving an annuity payment

from VALIC or Lincoln Financial Group, this will not impact your healthcare benefits; however, if you are receiving systematic withdrawals or still have an active accumulating balance with VALIC or Lincoln Financial Group, you will need to take some action as described earlier in this guide. If you are retired, we recommend that you meet with a representative from CAPTRUST, TIAA-CREF or Fidelity to ensure continuity of your retirement income and your health benefits.

Q7. What happens if I'm in phased retirement and receiving an annuity from VALIC or Lincoln Financial Group?

There will be no impact to annuity payments being received from VALIC or Lincoln Financial Group; however, if you are receiving systematic withdrawals or still have an active accumulating balance with VALIC or Lincoln Financial Group, you will need to take some action. If you are in the phased retirement program on your campus, we recommend that you meet with a representative from CAPTRUST, TIAA-CREF or Fidelity to ensure continuity of your retirement income and your health benefits. If you are unsure of whether your current payments are generated by an annuity or systematic withdrawal, contact your carrier to find out which method is being used.

Q8. If my current distribution meets the requirements set forth under the Bailey Settlement, will my distribution continue tax-free when I move my funds to TIAA-CREF and/or Fidelity?

Yes. The Bailey Settlement affects the taxation of retirement benefits paid to former employees of the State of North Carolina who were enrolled in the ORP prior to August 12, 1989. If you move your funds to TIAA-CREF or Fidelity, you will continue to be covered under the Bailey Settlement; however, if you move your funds to an IRA, you will lose the favorable tax treatment of your retirement benefits.

Q9. What if I need help making investment choices?

We encourage you to participate in a one-on-one investment advice meeting with CAPTRUST, the University's third-party investment advisory firm. Access to CAPTRUST's independent financial advisors is being provided by the University to help you understand the new investment options, review your current retirement investment strategy and assist you with choosing a new retirement provider. To schedule an appointment, visit www.captrustadvice.com and choose "Schedule an Appointment."

You also may meet with TIAA-CREF or Fidelity for help with your investment decisions and to ask questions about their offerings.

CAPTRUST, TIAA-CREF and Fidelity will host group meetings on all UNC campuses, during which you will be able to ask questions and learn more. You also will continue to have access to TIAA-CREF and Fidelity representatives. Visit the **Retirement Program Changes schedule** for more information on the on-campus meetings. We also recommend you consult your personal tax or financial advisor before making any decisions to ensure you make the right choices about your University retirement programs.

Q10. What options do I have for investment advice?

No matter how much money you make, it's a good idea to get investment advice from an expert. You have a couple of options. If you work with an investment company like Fidelity or TIAA-CREF, you can usually get basic advice for free. For more personalized advice and management, you may pay a fee by having money withheld through your account. You also can go to an individual for advice, such as a Certified Financial Planner. Some charge a flat hourly rate (or "a la carte" rate) for his or her services; others take compensation from commissions on investment transactions.

Exhibit A

The following is a list of funds that will be closed to ORP participants by the end of the year. If you are currently invested in one of these funds, you will need to transfer your accounts to TIAA-CREF or Fidelity. If you do not take action, your existing funds will be transferred to TIAA-CREF and invested in an age-appropriate Vanguard Target Date Fund.

VALIC		Lincoln Financial Group	
Allianzgi Nfj Small Cap Val Ad	PVADX	Vanguard Prime Money Market	VMMXX
Amcent Inf-Adj Bd A	AIAXX	Lincoln Fixed Annuity	—
Amcent Real Estate Adv	AREEX	BlackRock Inflation Protected Bond Instl	BPRIX
Amer Cent Premium Mm Inv	TCRXX	PIMCO Total Return P	PTTPX
Amer Funds Amer Bal R4	RLBEX	Dreyfus S&P 500 Index	PEOPX
Amer Funds Growth Fund R4	RGAXX	American Beacon Lg Cap Value Y	ABLYX
Amercent Cp Pres Mm Inv	CPFXX	American Funds Growth Fund of Amer R6	RGAGX
Black Rock Large Cp Val A	MDLVX	Neuberger Berman Socially Resp Inv	NBSRX
Calvert Equity Portfolio A	CSIEX	Dreyfus MidCap Index	PESPX
Davis Ny Venture A	NYVTX	Columbia Mid Cap Value Z	NAMAX
Dreyfus Bond Mkt Idx Inv	DBMIX	Wells Fargo Advantage Discovery Instl	WFDSX
Dreyfus Midcap Index	PESPX	Dreyfus Structured Midcap I	DPSRX
Dreyfus S&P 500 Index	PEOPX	Dreyfus Small Cap Stock Index	DISSX
Dreyfus Sm Cap Stk Indx	DISSX	Allianz NFJ Small Cap Value Instl	PSVIX
VALIC Fixed Interest Account Option	—	James Small Cap	JASCX
Heartland Value Plus Instl	HNVIX	Columbia Acorn USA Z	AUSAX
Janus Overseas S	JIGRX	Nuveen Real Estate Secs I	FARCX
Legg Mason Clrbrdg Sm Cap Gr I	SBPYX	American Funds Capital World G/I R6	RWIGX
Munder Midcap Core Grth A	MGOAX	American Funds EuroPacific Gr R6	RERGX
Nuveen Real Estate Sec A	FREAX	Columbia Acorn International Z	ACINX
Oppenheimer Global Y	OGLYX	T.Rowe Price Retirement Income Adv	PARIX
Pioneer Mid Cap Value R	PCMRX	T.Rowe Price Retirement 2010 Adv	PARAX
Ridgeworth Mid Cap Value Eq A	SAMVX	T.Rowe Price Retirement 2020 Adv	PARBX
T.Rowe Price Fd2020 Adv	PARBX	T.Rowe Price Retirement 2030 Adv	PARCX
T.Rowe Price Rt Fd2030 Adv	PARCX	T.Rowe Price Retirement 2040 Adv	PARDX
T.Rowe Price Rt Fd2040 Adv	PARDX		
T.Rowe Price Ret 2010 Adv	PARAX		
T.Rowe Price Ret Inc Adv	PARIX		

Special Note

VALIC — If you enrolled in the ORP and you have VALIC annuity assets and/or mutual fund fixed investment option assets, your funds may be moved to TIAA-CREF or Fidelity by the end of the year, but the movement of funds will require your consent and action. **If you do nothing, your VALIC annuity assets and/or mutual fund fixed investment option assets (20% restriction applies to the Fixed Account Plus and the Mutual Fund Fixed investment options) will remain at VALIC.** Any other ORP funds listed in Exhibit A will be transferred to TIAA-CREF at the end of January 2015.

Any funds in the UNC Governmental Excess Benefit Arrangement will be moved to TIAA-CREF at the end of January 2015.

Lincoln Financial Group — If you have investments in a Lincoln Financial Group fixed interest account or mutual fund (listed in Exhibit A), and you take no action, those accounts will be moved in full in mid-January 2015 and will be placed into the age-appropriate Vanguard Target Date Fund held at TIAA-CREF.

The information in this guide is general in nature and may be subject to change. The University of North Carolina cannot give investment advice to you and neither The University of North Carolina, Fidelity Investments, Lincoln Financial Group, TIAA-CREF, VALIC, nor any of their agents/representatives, can give legal or tax advice. Applicable laws and regulations are complex and subject to change. For legal and tax advice concerning your situation, you should consult your attorney or tax advisor.

For more information about any of the authorized carriers or their products, including investment options, charges and expenses, please contact the investment advisor representative for a prospectus. Please read the prospectus carefully before selecting an investment carrier or investment option. In the event of a conflict between this guide and the Plan documents, the Plan documents will control. The University reserves the right to amend the Plan documents.