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403(b) VOLUNTARY TAX-DEFERRED ANNUITY PROGRAM AND ROTH PROGRAM UNIVERSAL AVAILABILITY NOTICE

This federally required notice provides important information regarding the University of Alaska's (UA) voluntary tax-deferred annuity (TDA) program and Roth program. All UA employees are eligible to participate in these voluntary retirement accounts. Use this notice as an opportunity to (1) begin making pre- or post-tax contributions depending on individual retirement goals or (2) review current elections and submit for changes. Please speak with a financial advisor prior to making an initial election or updating a current one.

DEFINITIONS

Tax-deferred Annuity (TDA) - A TDA allows UA employees to set aside *pre-tax* funds into a 403(b) retirement account. Participation is voluntary. Contributions to a TDA are not matched by UA.

Roth Account (with TIAA only) - A Roth allows UA employees to set aside *post-tax* funds into a Roth 403(b) retirement account. Participation is voluntary. Contributions to a Roth are not matched by UA.

WHEN DO I ENROLL?

Start, Stop, or Change Anytime - Employees can enroll in either the TDA or the Roth 403(b) accounts immediately upon hire or any time after. Elective deferrals to these accounts can change or stop at any time by completing a new salary reduction agreement. The 403(b) form can be found on our website: <https://www.alaska.edu/hr/benefits/retirement/tax-deferred.php>.

Enroll with UA *and* Enroll with the Provider - First, open the account with your provider if you do not have an account with them already. This ensures that your account exists with your provider before payroll deduction begins. Second, complete UA's 403(b) salary reduction agreement. This authorizes UA to send your contributions to your provider.

WHEN ARE MY CONTRIBUTIONS EFFECTIVE?

Next Available Pay Period - After completing the enrollment requirements, your contributions will begin in the next available pay period. Contributions will continue until you modify or revoke them with a revised salary reduction agreement.

2025 Contributions - Start on Time! Submit by December 13, 2024! - To guarantee your 2025 contributions are effective with the first paycheck of 2025 (paid to employees on January 10, 2025), your request must be submitted no later than 5pm Alaska time on December 13, 2024. Forms received after that date will be processed as quickly as possible but may not start in the first pay period of the 2025 calendar year.

WHAT IS THE MAXIMUM AMOUNT THAT I CAN CONTRIBUTE?

Limits by the IRS - The IRS limits the annual contributions you can make to a 403(b) plan. The contribution limits for 2025 are:



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- 403(b) Elective Deferral Limit \$23,500* (an increase of \$500)
- 403(b) Age 50 Catch-up \$7,500 (no change)
- 403(b) Age 60-63 Catch-up \$11,250 (new in 2025)
- 403(b) Special 15 years of service catch-up \$3,000 max (no more than 5 years)

**The 403(b) elective deferral limit of \$23,500 is the combined total of pre-tax contributions via TDA and post-tax contributions via Roth 403(b). Contributions through all vehicles cannot exceed the \$23,500 IRS limit.*

Speak with a Financial Advisor - Before you make an initial contribution or update current contributions, please speak to a financial advisor. UA is not authorized to provide financial advice. The management of these accounts and compliance with IRS regulations remain solely with the employee.

Catch Up Amounts

Age 50+ Catch Up - Employees between ages 50-59 and 64 and older can contribute a catch up amount of \$7,500 bringing the maximum contribution for calendar year 2025 to \$31,000.

NEW! IRS regulation allow for an additional catch-up amount for ages 60-63* - Beginning January 1, 2025, employees between the ages of 60 and 63 can elect a catch up of \$11,250 bringing the maximum contribution for calendar year 2025 to \$34,750.

**To be eligible for this catch up, you must be turning 60, 61, 62, or 63 in the calendar year you are making the contribution. In the calendar year you turn 64, only the regular age 50 catch-up is allowed for that calendar year.*

15-year Catch Up - The total 15-year catch up allowed is \$15,000 over five years. It is not automatic and an eligibility calculation is required. If both the age 50 or age 60-63 catch-up *and* the special 15 years of service catch-up apply, the special catch-up applies first to its maximum extent, and then age 50 catch-up applies. Reach out to your financial advisor to discuss if you believe the 15 year catch-up may apply.

403(b) Contribution Limits Exclude Contributions to the Optional Retirement Plan (ORP) - The 403(b) contribution limits apply to elective deferrals under the voluntary 403(b) program only (not the Optional Retirement Plan (ORP)). If you are a participant in the ORP *and* voluntary 403(b), your maximum contributions to both accounts are limited to the lesser of \$70,000 in 2025, or 100% of your compensation.

WHO DO I CONTACT FOR ADDITIONAL INFORMATION?

IRS - To learn more about 403(b) plans, please visit <http://www.irs.gov> and search for Publication 571.

Providers - Information about approved providers for UA's voluntary 403(b) program can be found online at <https://www.alaska.edu/hr/benefits/retirement/tax-deferred.php>.

Contact UA Benefits - If you have any questions about how the Plan works or your rights and obligations under the Plan, please contact University of Alaska Benefits and Compensation at ua-benefits@alaska.edu or call us at (907) 450-8242.

University of Alaska Human Resources

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