

2024 Universal Availability Notice

University of Hawai'i 403(b) PLAN HIGHLIGHTS

Visit [NBSbenefits.com/uh403b](https://www.nbsbenefits.com/uh403b) for additional information



As a faculty, staff, temporary or student employee, you are eligible to participate in the 403(b) retirement plan provided by the University of Hawai'i. Contributing to a 403(b) plan will give you peace of mind through financial security during your retirement. A 403(b) plan allows you to contribute a portion of your compensation to a pre-tax or post-tax (Roth) in order to save for retirement. Participation in the 403(b) plan is completely voluntary. If you are already contributing to the 403(b) plan, now is a perfect time to review and consider increasing your contributions.

What is a 403(b) Plan?

A 403(b) plan, also known as a Tax-Sheltered Annuity (TSA), is a tax-deferred retirement plan provided for employees of certain tax-exempt, governmental organizations or public education institutions.

What are the benefits of contributing to a 403(b) Plan?

LOWER TAXES

The 403(b) contributions you make can be on a pre-tax basis. This means that the money used to invest in the 403(b) plan is not taxed until the funds are withdrawn. For example, if your federal marginal income tax rate is 25%, and you contribute \$100 a month to a 403(b) plan, you have reduced your federal income taxes by nearly \$25. In effect, your \$100 contribution costs you only \$75. You will also realize similar State tax savings. The amount will be dependent upon your State income tax rate. The tax savings grow with the size of your 403(b) contribution.

TAX-DEFERRED GROWTH

In your 403(b) plan, interest and earnings grow tax-deferred. This means that your interest will grow tax-free until the time of your withdrawal. The tax deferred interest and earnings on your 403(b) plan allow your account to grow more quickly than money saved in a taxable account where interest and earnings are taxed each year.

TAKING THE INITIATIVE

Contributing to a 403(b)-retirement plan helps you take control of your future retirement needs. Other sources of retirement income, including state pension plans and Social Security, often do not adequately replace a person's salary upon retirement. A 403(b) plan can be a great way to supplement your income at retirement.

POSSIBLE TAX CREDITS

Pre-tax contributions may put you in a lower tax bracket reducing your overall tax rate. Check with your tax advisor on your eligibility.

HIGHER LIMITS

Annual contribution limits are much higher than those of an IRA.

How much can you contribute to a 403(b) Plan?

In 2024, you may elect to save:

- 100% of your income up to \$23,000 (2024)
- Extra \$7,500 if age 50 or higher, up to \$30,000

How to enroll in the Plan?

With the assistance of your financial advisor, you select the investment provider, open a 403(b) account, and choose your investment option(s). A list of approved investment providers and the Salary Reduction Agreement ("SRA") can be found by visiting the National Benefit Services (NBS) website at [nbsbenefits.com/uh403b](https://www.nbsbenefits.com/uh403b) or by contacting NBS (contact information below). To begin investing, send the completed SRA form to NBS who will initiate the payroll changes to begin contributions.

INVESTMENT CHOICES

You may choose to invest in annuity contracts, made available through insurance companies, or custodial accounts (mutual fund investments) through a retirement account custodian. Contact the investment provider for a comprehensive listing of available options and for additional information. The approved investment provider list may be viewed at [nbsbenefits.com/uh403b](https://www.nbsbenefits.com/uh403b) click on the Investment Provider tab.

How do I distribute or move my funds?

First, contact your investment provider for the requisite forms. The IRS requires the University to authorize the movement of funds and all distribution transactions. Transaction authorization forms are available at [nbsbenefits.com/uh403b](https://www.nbsbenefits.com/uh403b) click on the forms tab.

EXCHANGES

As a participant in the 403(b) plan, you have the option to move funds, or "exchange" tax-free between different vendors within the University of Hawai'i plan. The approved investment provider list may be viewed at [nbsbenefits.com/uh403b](https://www.nbsbenefits.com/uh403b).

ROLLOVERS

To assist in managing your retirement accounts, you have the option of rolling retirement funds from previous employers to your current employer's plan.

ROTH

You may also choose to invest part of your income on an after-tax (Roth) basis. Roth contributions are taxed at the time of the investment though contributions and earnings grow tax-free until withdrawn. Qualified distributions will allow you to withdraw your money tax-free.

DISTRIBUTIONS FROM THE PLAN

You or your beneficiary will be able to withdraw funds when one of the following occurs:

1. Retirement or Termination of Employment
2. Attainment of Age 59 ½
3. Total Disability
4. Death

The investment providers will require you or your beneficiary to complete a distribution form.

LOANS

You may borrow up to 50% of your vested balance up to \$50,000, whichever is less. Contact your current investment provider about their specific loan provisions.

HARDSHIP DISTRIBUTIONS

An in-service hardship distribution may be allowed if you satisfy certain IRS criteria. Contact NBS for more information about the requirements.

REQUIRED MINIMUM DISTRIBUTIONS (RMD)

Distributions are required at age 73 except from your current employer's 403(b) plan.

Contact the NBS University of Hawai'i 403(b)
Service Center for questions about the UH Plan

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