Tax Deferred Savings Programs

You can enhance your retirement savings through voluntary pre-tax contributions to a 403(b) or 457 plan. Your benefit from the Plan is determined by your account balance and the payment option(s) you choose when you apply to receive benefits.

Refer to the list of vendors by going to: http://www.uc.edu/hr/benefits.

The information below applies to the university’s ‘basic’ 403(b) Plan. Different provisions apply to the university’s ‘grandfathered’ 403(b) plan. The ‘grandfathered’ 403(b) is only available to those persons employed by the university prior to July 1, 1977.

How Does the Plan Work?
You allocate a portion of your pay to be invested. This amount is deducted before taxes are paid.

- Contact one of the providers affiliated with the university. Complete the appropriate paperwork to establish an account (some provide online enrollment).
- Review your investment options and decide, within certain legal limits, how much of your income you want to invest.
- Complete the online Salary Reduction Agreement (403(b)).
- Your contributions will be deducted on a pre-tax basis and forwarded to your provider.

Advantages of a Tax-Deferred Savings Program
Two advantages of participating in a tax-deferred savings program are:

- A portion of your income is withheld from your salary and invested before state and federal income taxes are applied.
- All of the earnings from the pre-taxed income accumulate tax free. Tax-free investing allows you to accumulate income and earnings without paying taxes owed until the money is withdrawn. They are then taxed as ordinary income and taxes are paid in the year in which the withdrawal was made (see in-service distribution information).

Enrollment – 403(b)
You can enroll online any time by completing the Salary Reduction Agreement available at www.uc.edu/hr/forms. Contributions will begin on the first available payroll period following receipt of your form in Payroll Operations. You must also establish an account with your chosen provider. You should establish the account before submitting the Salary Reduction Agreement form.

Enrollment – 457
Contact Ohio Deferred Compensation, UC’s sole 457 provider to enroll or make changes. The phone number is (877) 644-6457.

Questions?
Please contact HROneStop@uc.edu
513-556-6381
uc.edu/hr/benefits
Plan Contributions
The university does not make contributions to your 403(b) or 457 account. Your contributions are deducted from your pay on a pre-tax basis. Federal and state income taxes will be deferred until your account is distributed to you or a beneficiary.

Making Changes—403(b)
You can change your 403(b) contribution amount or provider at any time. Your request will be processed on the next available period following receipt of your form by Payroll Operations. If you are choosing a new provider, you must establish an account by contacting them directly. You should establish the account before submitting the Salary Reduction Agreement form. Your existing account balance can remain with your previous 403(b) provider or you can elect to transfer all or a portion to your new provider. Fees may apply; check with your provider.

Making Changes—457 Plan
You can make changes to your contributions to the 457 Plan at any time by contacting Ohio Deferred Compensation at 877-644-6457.

In Service Withdrawals and Loans – 403(b)
The 403(b) plan does not permit in-service withdrawals (unless age 59.5) or loans.

In Service Withdrawals and Loans – 457
The 457 plan permits in-service withdrawals for IRS approved financial hardships.

Access to Account balance for service purchased purposes
You may be able to access your 403(b) or 457 account balance for service-purchase purposes through OPERS or STRS. Contact your retirement system with questions and for the applicable form.

Maximum employee contributions amount
Federal law limits the amount that can be contributed to a 403(b) or 457 account. Your contributions to a UC-sponsored plan will stop when you reach the IRS contribution maximum. Any earnings on your contributions accumulate tax free until you take them from the account. If you are participating in another employer’s 403(b) or 457 account, YOU are responsible for monitoring your contributions to make certain they do not exceed the IRS maximum.

Catch Up contributions (Age 50)
Under certain circumstances, you may qualify for the ‘catch up’ contribution provision of the plan. Catch up contributions are amounts you can contribute in excess of the annual plan contribution limit. If you have already contributed the maximum amount(s) under the plan(s) and you are at least age 50, you may make additional contributions, which are limited based on federal guidelines. If you are interested in making ‘catch up’ contributions, you can do so by submitting a Salary Reduction Agreement form or by contacting Ohio Deferred Compensation if you participate in the 457.

Distribution Options
Contact your 403(b) provider to learn more about the distribution options available to you when you leave the university.