Voluntary Retirement Savings
Voluntary Retirement Options

- Additional Defined Contributions (DC) for **VRS Hybrid Plan**
- **403(b)** with Fidelity or TIAA
- **457(b)** with ICMA-RC
- Includes a university **cash match**
403(b) Plans

- Fidelity or TIAA
- Two plan options:
  - Traditional: pre-tax deduction - lowers taxable income
  - Roth: post-tax deduction
- $18,500 annual limit ($770 per pay period)
- Additional $6,000 contribution amount if over the age of 50 (for a total of $24,500 annually, or $1,020 per pay period)
How to Enroll- 403(b)

1. Name & employee ID number.
2. Initiate new salary agreement.
3. Amount and name of company and select either pre-tax or post tax (ROTH).
4. Newly eligible for cash match.
5. Enroll online.
6. Signature.
457(b) State Deferred Plan

- ICMA-RC
- Two plan options:
  - Traditional: pre-tax deduction - lowers taxable income
  - Roth: post-tax deduction
- $18,500 annual limit ($770 per pay period)
- Additional $6,000 contribution amount if over the age of 50 (for a total of $24,500 annually, or $1,020 per pay period)
How to Enroll- 457(b) State Deferred Plan

Call 877-327-5261 or online at www.varetire.org/457.
University Cash Match Program

- University will match 50% up to a maximum of $20 per pay check.
  - Example: $40 per paycheck deferral will provide a $20 per paycheck employer match.
- Hybrid participants must max out voluntary defined contributions before receiving cash match.
- Immediately vested.
Voluntary Retirement Savings Plans

- Employees can maximize both 403(b) and 457(b) accounts.
- Gives a combined $37,000 annual limit.
- Gives a combined $49,000 annual limit if over the age of 50.
- Employees will only receive a cash match on one company or option.
Funds and Changes

- Account funds are not available for withdrawal while actively employed.
- Can stop deductions at any time.
- Can change deductions at any time.
Leaving Virginia Tech

- Leave account where it is.
- Rollover to another tax-qualified plan.
- 403(b) withdrawal will pay 20 percent federal tax, 4 percent state tax, 10 percent penalty (34 percent cumulative) if employee is less than 59 ½ years of age.
- 457(b) withdrawal will be taxed only – no penalty (24 percent cumulative).
Automatic Enrollment *(Plan 1 & Plan 2 ONLY)*

- Employee is automatically enrolled ninety days after date of hire unless action is taken.
- Automatic $20 deferral to ICMA-RC 457(b) plan with a $10 cash match from Virginia Tech.
- Ways to opt out of 457(b) auto-enrollment:
  - VRS Plan 1 and Plan 2 participants can opt out within 60 days by calling ICMA-RC at 877-327-5261 or going online to www.varetire.org/dcp.
  - Enroll in the 403(b) with Fidelity or TIAA-CREF.
  - Enroll yourself in a 457(b) within 90 days.