

Your Retirement Programs at a Glance

Mandatory Programs

| Teacher Retirement System (TRS) | Optional Retirement Program (ORP) | |
|---|---|--|
| Qualified plan as described in Section 401(a) of the Internal Revenue Code. All employees automatically enrolled. Defined benefit plan TRS controls/monitors investments Benefit based on years of service, salary and actuarial formula Vested after five years with a right to a lifetime annuity Disability benefit provided | May be chosen (irrevocably) by certain eligible titles during initial period of eligibility Defined contribution plan (403b) You manage your investments Account growth based on performance of selected investment portfolio Vested after one year and one day to employer matching contributions Matching contributions vary but are no less than 6%. No Disability | |

UT Saver Voluntary Programs

| | UTSaver TSA | | LITC DOD |
|---|--|---|--|
| | Traditional 403(b) | Roth 403(b) | UTSaver DCP |
| Eligibility | All Employees | All Employees | All Employees |
| Employee Contribution | Pre-tax dollars | After-tax dollars | Pre-tax dollars |
| Employer Contribution | None | None | None |
| Employee Withdrawls | Taxable when withdrawn | Tax free when withdrawn as a "qualified" distribution | Taxable when withdrawn |
| General Contribution Limits* | \$18,500 IRS maximum (2018) for both traditional and Roth sources. (Each dollar of a Roth contribution reduces the amount that can be contributed pretax, and vice versa.) | | \$18,500 IRS maximum (2018) |
| Over age 50 catch-up contribution | \$6,000 combined with Roth | \$6,000 combined with Traditional | \$6,000 |
| 15-year catch-up contribution | \$3,000 combined with Roth (\$15,000 lifetime max) | \$3,000 combined with Roth (\$15,000 lifetime max) | N/A |
| Three years prior to retirement catch-up (special catch-up)** | N/A | N/A | Up to \$18,500 (may not be used simultaneously with age 50 catch-up) |
| Distributions Upon Separation of Employment | Distributions made prior to age 59 ½ will be subject to ordinary income tax and a possible 10% penalty | "Nonqualified" distributions made prior to age 59 ½ will be subject to ordinary income tax and possibly a 10% penalty | Distributions will be subject to ordinary income tax |

^{*} Contribution limits shown are IRS maximums for 2018. The 2017 limit was \$18,000.

Contribution limits may vary based on income, years of service, previous deferrals, and other factors. Contact your Benefits Office for a calculation of your personal contribution limit for each voluntary program.

^{**} A "qualified" distribution occurs when the Roth account has been in place for five taxable years (from the year of first contribution) and one of the following events has occurred: (1) attainment of age 59 ½; (2) disability; or (3) death.