UTSaver Retirement Plans

DID YOU KNOW?
After 20 years under TRS, at retirement age you would only get 46% of your average five high salaries?

You may be familiar with the Teacher Retirement System (TRS) or the Optional Retirement Program (ORP) because participation in one of these programs is mandatory for benefits-eligible employees.

Did you know that the UTSaver Tax Sheltered Annuity (TSA) and UTSaver Deferred Compensation Program (DCP) are just as important a part of the UT Retirement Program?

Voluntary contributions to these programs have become an increasingly important part of saving for retirement, and the UTSaver programs are the best value you can find.

Why are the UTSaver plans the best value for your money? **UTSaver plans can...**

www.utretirement.utsystem.edu

UTSaver Comparison

	UTSaver TSA		UTSaver DCP
	TRADITIONAL 403(b)	ROTH 403(b)	
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EMPLOYEE WITHDRAWLS	Taxable when withdrawn	Tax free when withdrawn as a "qualified" distribution	Taxable when withdrawn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*	$18,000 IRS maximum (2017) for both traditional and Roth sources. (Each dollar of a Roth contribution reduces the amount that can be contributed pretax, and vice versa.)		$18,000 IRS maximum (2017)
OVER AGE 50 CATCH-UP CONTRIBUTION	$6,000 combined with Roth	$6,000 combined with Traditional	$6,000
15-YEAR CATCH-UP CONTRIBUTION	Up to $3,000 per year ($15,000 lifetime max)	Up to $3,000 per year ($15,000 lifetime max)	N/A
THREE YEARS PRIOR TO RETIREMENT CATCH-UP (SPECIAL CATCH-UP)**	N/A	N/A	Up to $18,000 (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 2015 and 2016.*
*** 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.*

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.

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THE UNIVERSITY of TEXAS SYSTEM
RETIREMENT PROGRAM
Your Future. Your Choice.

UTSaver Retirement Plans

The Best Value

Maximizing Saving Potential

In the UTSaver TSA and DCP plans, for 2016 you can contribute as little as $15 a month or as much as $18,000 per year in each plan, and if you are over 50 you can contribute as much as $24,000 per year in each plan.*

WHAT THAT MEANS TO YOU

Assuming a 6% return, contributing as little as $50 per month could add up to over $8000 in ten years. Over 30 years, that could add up to over $50,000! If you increased your contributions by just a few dollars each year, in 30 years that amount could double to well over $100,000!

If you contributed the annual maximum of $18,000 in either of the plans, over 30 years with an average return of 6% you could expect to save over $1.5 million!

TAX

TAX SAVER'S CREDIT

If you're eligible and contribute as much as $2,000.00 ($4,000 if filing jointly) to the UTSaver 403(b) Tax Sheltered Annuity or the UTSaver 457(b) Deferred Compensation Plan, you could qualify for a Saver's Tax Credit of up to 50% of your contributions.

ROTH OPTION

Some highly compensated employees cannot contribute to a Roth IRA at all. But the UTSaver TSA plan allows you to contribute any portion of your limit to either traditional pre-tax or Roth dollars. That's up to $18,000 in Roth contributions; $24,000 if you are over 50.*

*UTSaver TSA limits can vary depending on individual circumstances. Contact your local benefits office to determine your TSA limit.

Minimizing Cost Low Fees

The UTSaver Retirement Program works with our providers to offer the very best investment products at the lowest available cost.

When you establish a UTSaver TSA or DCP account, you are able to invest in a quality line-up of mutual funds with:

- NO ANNUAL FEES
- NO SALES FEES
- NO EARLY TERMINATION OR TRANSFER FEES OR PENALTIES

If you select one authorized provider to invest with and decide to change providers at a later date, not only can you redirect your future contributions at any time, you can transfer your account balance with no fees. Working with commissioned representatives or purchasing an annuity product may result in additional fees.

Low Expense Ratios

Even the same mutual fund can have different expense ratios which can add up over time.

A high expense ratio can quickly eat into any earnings you may experience. Unlike many other plans, the UT Retirement Program's average expense ratio for the UTSaver mutual fund line up is just 0.7%, with many funds as low as 0.05%. We are able to do this because our robust retirement program qualifies for institutional share classes not available through most IRAs or other investment vehicles!

Maximizing Service

The greatest benefit of the UTSaver plan is service! The UT Retirement Program has partnered with five providers to offer you a suite of services at no cost.

APPROVED PROVIDERS

Each of these providers have authorized representatives available to you at no cost. These representatives can:

MEET face to face

DISCUSS your Retirement plan Options

ASSESS your risk tolerance and retirement goals

PROVIDER ASSET allocation models and available funds in that company

ASSIST with fund selection

Representatives for your institution can be found at:

www.utretirement.utsystem.edu