

# Retirement & Investment Plans

## 403(b) Universal Availability Notice 2021

Eastern Illinois University (the "University") sponsors the Supplemental 403(b) Retirement Plan (the "Plan"). Eligible employees of the University can voluntarily elect to defer a portion of their compensation to the Plan to supplement their retirement savings.

The Plan is a supplement to the State Universities Retirement System (SURS) pension. Participation in the Plan does not reduce any University benefits based on full salary, such as SURS, life insurance, disability, or survivor benefits.

### Eligibility

Generally, all common law employees of the University who receive compensation reportable on a Form W-2 are eligible to participate in the Plan, so long as the employee elects to contribute at least \$200 each year. The only employees not eligible to participate in the Plan are non-resident aliens with no U.S. source income.

### Contributions

**Pre-tax Contributions** - Both Federal and State income taxes are deferred on the contributions and any earnings thereon until distributed from the Plan. Distributions are taxed as ordinary income for Federal tax purposes. However, distributions are not taxed by the State of Illinois if distributions are made (i) in accordance with Plan provisions, (ii) on or after the participant has attained full retirement age, and (iii) while the participant is a legal resident of the State of Illinois.

**Post-tax (Roth) Contributions** – Federal and State income taxes are withheld from Roth contributions at the time that they are contributed to the Plan. However, contributions and any earnings thereon are not subject to Federal and State income taxes upon distribution if a five-year period has passed since Roth contributions were first made to the Plan and the distribution is a "qualified distribution". A qualified distribution is a distribution (i) made on or after the date on which the participant attains age 59 ½, (ii) made to a beneficiary on or after the death of the participant, or (iii) attributable to the participant's being disabled.

Employee contributions to the Plan can be allocated among the investment options offered by any approved vendor under the Plan. Employees are 100% vested in their accounts under the Plan at all times.

### Contribution Limits

Annual contributions to the Plan are limited per IRS regulations. The contribution limits for the 2020 and 2021 calendar years are:

Year	Basic Elective Contribution Limit	Age 50+ Catch-up Contribution	15 Years of Service Catch-up Contribution
2020	\$19,000	\$6,500	\$3,000*
2021	\$19,500	\$6,500	\$3,000*

\* The 15 years of service catch-up contribution applies before the age 50+ catch-up, and is based on a formula that takes into account all past contributions to the Plan and the employee's total years of service to the University. The maximum 15 years of service catch-up available is \$3,000 per year up to a \$15,000 lifetime benefit, but an employee's actual catch-up may be lower than this maximum. If you wish to defer more than \$19,500 (\$26,000 if age 50 or older), please contact the Benefits office on your campus to determine if you are eligible for the 15 years of service catch-up.

## To Enroll

Eligible employees may begin participating in the Plan at any time. To enroll in the Plan, an employee must complete both (i) an approved vendor's application to open an account and (ii) a [Salary Reduction Agreement \(SRA\)](#) to elect the contribution amount. Contributions may be designated as a percent of salary or as a flat dollar amount. The SRA will apply only to amounts earned **after** enrolling in the Plan, and an employee's election under the SRA will continue until the SRA is modified or revoked by the employee.

## To Modify a Deferral Election

Employees may increase, decrease or stop their contributions to the Plan at any time. Employees may also change the approved vendor to which their contributions are made at any time. These [forms](#) are available on the Benefits website under the heading of Resources / Payroll and Benefits Forms

## Approved Vendors

To enroll in our approved 403(b) vendor plans, please visit the Tax-Deferred Retirement Accounts webpage at <http://www.eiu.edu/~humanres/benefits/taxdeferredretirement.php> . 403(b) representatives also make periodic visits to campus. Announcements on open counseling sessions with representatives are communicated through the use of our EIU Benefits website, Facebook, Twitter, and the University Newsletter.

American Funds (First Mid-Illinois Bank): 217-348-1244  
Ameriprise Financial Services: 217-234-8136  
Fidelity Investments: 800-343-0860  
ING: 217-268-4518  
TIAA-CREF: 800-842-2005  
VALIC: 800-892-5558

## More Information

Contact the Benefits Services Office or one of the approved vendors directly with questions or for help enrolling in the Plan.

### Benefits Services Offices

[benefits@eiu.edu](mailto:benefits@eiu.edu) 217-581-5825

*This notice is provided as a source of information and does not constitute legal, tax, or other professional advice. If legal advice, tax advice, or other professional assistance is required, the services of a professional advisor should be sought. Every effort has been made to make this notice as thorough and accurate as possible. However, there are other legal documents, laws, and regulations that govern the operation of the Plan. It is understood that in the event of any conflict, the terms of the Plan document, applicable laws, and regulations will govern.*