



September 2020

## IMPORTANT INFORMATION ABOUT YOUR PENN STATE RETIREMENT PROGRAM

As you know, some of the benefits of being a Penn State employee are the multiple options available to save for your retirement. All full-time and part-time employees are eligible to participate in both supplemental retirement plans, regardless of whether you are enrolled in the State Employees Retirement System (SERS) or the Penn State Alternate Retirement Plan (ARP). Taking advantage of the additional retirement plan options that are available to you can help optimize your saving goals.

### Supplemental Retirement Plans

The Penn State 403(b) Tax-Deferred Annuity Plan and The Penn State 457(b) Deferred Compensation Plan afford you the opportunity to save more towards your retirement goals. You may enroll in the plans, stop or change your deferrals at any time.

- **Eligibility** - ALL full-time and part-time employees are eligible to participate in both supplemental retirement plans, regardless of whether you are enrolled in SERS or the ARP.
- **Contributions** – your contributions to the Penn State 403(b) Tax-Deferred Annuity Plan and The Penn State 457(b) Deferred Compensation Plan are separate from, and in addition to, contributions you may be making to your mandatory retirement plan with Penn State. These supplemental retirement plans are a great way to reduce your taxable income today, while ensuring you save enough to retire comfortably.
- **Contribution Limits** - Please be aware that the IRS limits the amount you may defer under these and other plans in any tax year. Under IRS regulations for 2020:
  - You may contribute up to a maximum of \$19,500 if you are under age 50 to The Penn State Tax-Deferred Annuity Plan and/or The Penn State 457(b) Deferred Compensation Plan. If you are age 50 or will turn 50 any time in 2020, you may contribute an additional \$6,500 to a maximum of \$26,000.
  - If you do participate in more than one 403(b) and/or 401(k) plan, you are personally responsible for tracking and reporting the total amount of your contributions for all plans in which you participate to avoid exceeding the limit. Employees are permitted to maximize contributions to The Penn State Tax-Deferred Annuity Plan and The Penn State 457(b) Deferred Compensation Plan concurrently for a total annual deferral of \$39,000 (\$19,500 x 2) or \$52,000 (\$26,000 x 2) for 2020.
  - Note also that the sum of all of your contributions, and those of your employer(s), to all 403(b)/401(k) plans that you participate in are limited to \$57,000 if you are under age 50, and \$63,500 if you are over age 50, on your first \$285,000 of reportable income for 2020.

### Consider Enrolling Today

Learn more about the supplemental retirement plans by visiting the HR Knowledge Base at <https://psuportal.neocaseonline.com>.

To enroll, visit [TIAA.org/psu](https://tiaa.org/psu) or call TIAA at 800-842-2252, weekdays, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).

## Notice to current Plan participants

If you are already enrolled in any Penn State Retirement Plan (the Penn State Alternate Retirement Plan (ARP), the 403(b) Tax-Deferred Annuity Plan and/or The Penn State 457(b) Deferred Compensation Plan), and at the time of enrollment you did not actively select your investment options, you may be default enrolled in a TIAA-CREF Lifecycle Fund. The TIAA-CREF Lifecycle Funds are a group of single target date funds and one was chosen based on your assumed retirement age of 65.

It is important to periodically review the investment allocation of your account to ensure that it meets your needs. You may change how your contributions and existing assets are invested at any time. To obtain information on the other investment alternatives available under the Plans, visit [TIAA.org/psu](https://TIAA.org/psu) or the Workday portal.

## Designate your beneficiary for each account

Make sure your beneficiary information reflects your current wishes so you control decisions about your money. Retirement plan assets will be transferred according to the terms of your plan's beneficiary designation, not by the terms of your will. If there's no named beneficiary—maybe you initially let your account default to “estate”—this can potentially increase the risk of significant delays and costs to those you wish to name.

Confirming or updating your beneficiaries is simple. Visit [TIAA.org/psu](https://TIAA.org/psu) and log in to your account, then select *Add/edit beneficiaries*.

## Help is available

As you consider enrolling in the supplemental retirement plan(s) available to you—or as you review your current account(s)—it may be a good time to schedule a one on one appointment with a TIAA financial consultant to make sure your retirement planning is on track. This service is available to all Penn State employees and comes at no additional cost to you.

To schedule your appointment, call TIAA at **800-732-8353**, weekdays from 8 a.m. to 8 p.m. (ET) or visit [TIAA.org/schedulenow-pennstate](https://TIAA.org/schedulenow-pennstate).