

**Iowa Retirement Investors' Club (RIC)** - Your employer's 403b supplemental retirement savings benefit provides an easy way for you to save a portion of current wages for future income needs. Certain plan provisions have been customized by your employer (see [https://das.iowa.gov/RIC/403b/plan\\_details](https://das.iowa.gov/RIC/403b/plan_details)). RIC has no vesting requirements.

**403b Employee Contributions** – Employee contributions to the 403b plan are through automatic salary reduction only. The total of all 403b contributions in a tax year must not exceed IRS declared annual maximum limits.

- Contribution frequency options are set by your employer, including possible options for final pay
- Minimum amounts are set by your employer
- Pretax and post-tax Roth option (if Roth available)
- Change salary reduction amount or stop at any time

**2020 IRS 403b Maximum Contribution Limits**

| Regular                                  | Age 50*              | 15-Year Catch-Up                      | Total Employee                                |
|--|----------------------|---------------------------------------|---|
| 100% of compensation <sup>1</sup> up to: | Participants age 50+ | Employed w/current employer 15+ years | If eligible for both age 50* & 15-Yr Catch-Up |
| <b>\$ 19,500</b>                         | <b>\$ 26,000</b>     | <b>\$ 3,000<sup>2</sup></b>           | <b>\$ 29,000</b>                              |

<sup>1</sup> Compensation is gross salary minus retirement (IPERS/TIAA), FICA, and other required deductions.

<sup>2</sup> Employees eligible for both the Age 50+ and 15-Yr Catch-Up in the same year must use that year's 15-Yr Catch-Up before contributing under the Age 50+ limit.

**Roll-ins** - You have the option to consolidate retirement assets. Your RIC 403b account will accept rollover assets (pretax and Roth) from employer plans (such as 401k, 403b, 401a) and traditional tax-deductible IRAs. Assets rolled into RIC may be rolled out at any time without penalty or restriction. To roll assets into RIC, contact your RIC provider.

**Tax Advantages** - Tax benefits differ based on the tax treatment of payroll deductions and saver's tax credit eligibility. Contact a tax professional if you have questions about how these tax benefits may affect your specific needs.

- 1) **Pretax** contributions are deducted before state and federal income tax withholding. This gives you an immediate tax benefit of lowering your taxable income for the year. Investment earnings are tax-deferred until withdrawn.
- 2) **Post-tax Roth** contributions are deducted after state and federal taxes are withheld. There is no immediate tax benefit. Investment earnings are tax-free if distribution is qualified\*. Review your employer's plan details at [https://das.iowa.gov/RIC/403b/plan\\_details](https://das.iowa.gov/RIC/403b/plan_details) to determine post-tax Roth availability.
- 3) **The Savers' Tax Credit** of up to \$1,000 may be available if you qualify. (see [https://das.iowa.gov/saver\\_credit](https://das.iowa.gov/saver_credit))

**Enrollment** (always open) - The RIC investment provider you choose has everything you need to open your accounts, select investments, and begin salary reductions. Provider information is shown below.

**AIG (Formerly VALIC), Horace Mann, MassMutual, and Voya** - Enrollment options are shown below for AIG (Formerly VALIC), Horace Mann, MassMutual, and Voya. Access to provider websites and contact information, a list of all investment options, total and individual fund fees, current interest rates, historical fund performance, and self-directed brokerage options are available on the RIC website.

| Enroll Option | AIG (formerly VALIC)  | Horace Mann   | MassMutual  | Voya   |
|---------------|---|---|---|--|
| Online        | <a href="#">Enroll online (403b)</a>  | <a href="#">Enroll online</a>   | (Not available)   | <a href="#">Enroll online (403b)</a>   |
| In person     | <a href="mailto:Kathi.Allen@aig.com">Kathi.Allen@aig.com</a><br><a href="#">Link to area agent list</a> | <a href="mailto:Mike.Reiter@horacemann.com">Mike.Reiter@horacemann.com</a><br><a href="#">Link to area agent list</a> | <a href="mailto:MassMutualIowaPlan@financialguide.com">MassMutualIowaPlan@financialguide.com</a><br><a href="#">Link to area agent list</a> | <a href="mailto:VoyalowaRICInbox@Voya.com">VoyalowaRICInbox@Voya.com</a><br>Call for agent information |
| By phone      | 800-945-6763  | 844-895-0980  | (Not available)   | 800-555-1970 / 515-698-7973  |
| Print forms   | <a href="#">Print forms (403b)</a>  | <a href="#">Print forms</a>   | <a href="#">Print forms</a>   | (Not available)  |

**EFS Advisors, Equitable, GWN Securities, National Life Group, Security Benefit, and TCG Administrators** – Enrollment options are available from the provider. Access to provider websites and contact information is available on the RIC website. Investment options, current interest rates, historical fund performance, and product restrictions (if any) are available directly from the provider upon request.

| EFS          | Equitable    | GWN            | NLG          | Security Benefit | TCG          |
|--------------|--------------|----------------|--------------|------------------|--------------|
| 877-403-2374 | 800-628-6673 | (866) 650-0132 | 800-732-8939 | 800-888-2461     | 800-943-9179 |

**Investment Selection** - Whether your investment objective is safety, income, or growth, you have multiple diversified investment options to meet your investment style. Changes to investments and providers within the plan are penalty/restriction-free with some providers. See <https://das.iowa.gov/RIC/403b/providers> for additional information.

\*Roth qualified distributions are tax-free if a distributable event has occurred, account is held 5+ years; and participant is age 59½ or older, disabled, or deceased.

**Distributions-** A “distributable event” must occur to be eligible for a distribution.

| Event  | Description  |
|--|--|
| <b>Financial hardship</b><br>(if allowed by your employer) | You must provide proof of financial hardship (according to federal requirements) in order to receive funds. If approved, the approved amount may be withdrawn from your total salary reduction amount only. Investment earnings and any employer contributions are not available.  |
| <b>Age 59 ½</b>  | You must be age 59 ½ or older. Distributions are allowed but not required.   |
| <b>Loans</b><br>(if allowed by your employer)              | Your loan amount cannot exceed the lesser of 50% of your account or \$50,000. Maximum loan duration is 5 years (possible exception for primary home purchase loans). Loan principal and interest must be repaid with post-tax dollars. For loan details such as set-up, rates, fees, and repayment, contact your provider. |
| <b>Separation from employment</b>                          | You must have left employment (and not be substituting or coaching).   |
| <b>Eligible military duty</b>                              | Available to eligible reservists or participants serving in the national guard who have been ordered or called to active duty for a period in excess of 179 days or for an indefinite period (other rules apply).  |

**Distribution Requests** – Contact your RIC provider to request their required form **and** request a Distribution Authorization Certificate from RIC’s third party administrator (log in at [www.planwithease.com](http://www.planwithease.com)). You must submit both the authorization certificate and the completed provider’s form to your provider. If you are age 59 ½ or older and are requesting a distribution from an active provider, planwithease authorization is not required. Simply complete and submit your provider’s distribution form directly to your provider. Horace Mann, MassMutual, VALIC, and Voya products have no surrender penalties or restrictions.

**Options at separation from employment** - You are not required to begin distributions until the year you turn 72 or retire, whichever is later. No contributions can be made after separation from employment.

- Stay invested and take cash when you need it. Change investments, providers, advisors, etc. at any time.
- Take lump sum payments, as needed (no maximums).
- Set up systematic payments. You choose the payment amount and frequency (change or stop at any time).
- Purchase a lifetime income annuity based on your life expectancy (irrevocable).
- Rollover to an outside retirement account (or roll money into RIC).
- Purchase IPERS service credits\*\* (non-taxable transfer).
- Choose any combination of options.



## Tax Treatment of Distributions -

Taxation of distributions differs based on the tax-treatment of contributions. Roth may not be available in all employer plans.

| Pretax Distributions                             | Post-tax Roth Distributions |
|--|-----------------------------|
| Taxed as ordinary income                         | Tax-free if qualified*      |
| <i>Possible IRS 10% penalty prior to age 59½</i> |                             |

**Program Education** – RIC program presentations (webcast or on-site) are available by request from your employer.

**Want more information?** For additional program information, visit <https://das.iowa.gov/RIC/403b>. If you have questions, please call a RIC provider directly or give RIC a call at 866-460-4692, option 1.

\* Roth qualified distributions are tax-free if a distributable event has occurred, account is held 5+ years; and participant is age 59½ or older, disabled, or deceased.

\*\* If you are eligible to purchase IPERS service credits and wish to make a non-taxable transfer of RIC 403b pretax assets to IPERS, contact the RIC office to request the transfer. Contact IPERS at 800-622-3849 or [Info@ipers.org](mailto:Info@ipers.org) to determine eligibility and cost to purchase.