Does the 403(b) option make sense for me?

- At retirement if you expect to be in the same tax bracket as your current income then the pre-tax or the Roth after-tax plan might be same from a tax perspective.

- At retirement if you expect to be in a higher tax bracket, the Roth after-tax plan may be the better choice. Your qualified distributions from the Roth after-tax will not be taxable earnings, since you have already paid taxes on these Roth contributions.

The decision to contribute to a pre-tax 403(b) and the Roth 403(b) after tax option depends on your own situation. A Certified Financial Advisor or a Tax Consultant can assist you with making your decision.
NIU Supplemental Retirement
403(b) Tax Deferred and Roth Plan

Employees may enroll in the NIU Supplemental Retirement 403(b) Tax-Deferred or after-tax Roth Plan at any time.

Your contributions to the 403(b) Tax-deferred Plan are made on a pre-tax basis and are not reported on your W-2 statement, which will reduce your taxable income for the year. That means your current taxable income is reduced. A qualified distribution can be obtained at age 59 1/2 and is taxable at the time of the distribution.

“Tax deferral” means you pay no income taxes on the money your account earns until you receive a qualified distribution from the NIU Supplemental Retirement Plan.

Your contributions to the 403(b) NIU Supplemental Retirement Roth Plan are made on an after-tax basis and are included in your current taxable income. Earnings are tax free if they are part of a “qualified distribution.” A qualified distribution can be obtained after age 59 1/2 and it can be taken at least 5 years from the year of the first Roth 403(b) contribution.

“403(b) Roth” means contributions are made on an after-tax basis and are included in your current income.

You may contribute to both the 403(b) Tax Deferred and the 403(b) Roth After-tax plan within the IRS calendar year contribution limit. The IRS calendar year contribution limit for both contribution plans together for 2018 is:

Pre-Tax and Roth Limit Over age 50 catch-up Limit:
$18,500 $6,000

Steps to begin participation in a 403(b) plan:

403(b) Tax-Deferred and Roth:
• Choose an approved vendor (one Vendor allowed)
• Same Vendor for Tax-Deferred and Roth
• Meet with the approved vendor representative or complete the approved vendor’s online application
• Complete the NIU Salary Contribution Agreement Form
• Send the completed NIU Salary Contribution Agreement Form to Human Resource Services

403(b) approved Vendors:

- **Fidelity Investments (800) 835-5097**
  - Bob Intoccia, Director, Retirement Planner
  - (630) 360-5979
  - bob.intoccia@fmr.com
  - Hayden Lackey, Retirement Planner
  - (405) 394-9525
  - hayden.lackey@fmr.com
  - On-line enrollment: www.fidelity.com
  - Enrollment Information: https://nbacctopen.fidelity.com

- **TIAA-CREF (800) 842-2252**
  - Patrick Windle, Consultant Individual Client Services
  - (312) 345-5666
  - pwindle@tiaa-cref.org
  - On-line enrollment: www.tiaa.org/niu
  - Plan Access Code 103375
  - To schedule an individual appointment call: 800-732-8353

State of Illinois 457(b) Deferred Compensation Plan

457(b) Vendor:
- **State of Illinois/Central Management Services**
  - Deferred Compensation Office
  - 201 E. Madison, Suite 1C
  - Springfield, IL 62794-9208
  - www.state.il.us/cms/employee/defcom/default.htm
  - 800-442-1300

457(b) Special Features:
- Administered by the State of Illinois/Central Management Services
- Pre-Tax and Roth Contributions Available
- Contributions Payroll Deduction
- Minimum contribution is $10.00 per pay period
- Flat dollar amount contribution only
- Exempt from 10% Federal penalty under section 72(t) of the IRS code for eligible withdrawals made prior to age 59 1/2
- Variety of Investment Funds
- T. Rowe Price Retirement Funds

Steps to begin participation in a 457(b) plan:

457(b):
- Complete the CMS Deferred Compensation Enrollment Form and CMS Deferred Compensation Beneficiary Form.
- Send completed forms to Human Resource Services.

For company/representative information packets, NIU Salary Reduction Agreement, and the CMS Enrollment Forms please contact:

Human Resource Services
(815) 753-6000

Or

www.hr.niu.edu