

The University System of Georgia (USG) 403(b) plan FAQs

Did you know?

Few employers offer supplemental plans that allows employees the ability to increase their retirement savings rate through their employer sponsored retirement plan.

Employees contributing to both the 403(b) and 457(b) have the ability to contribute the max to both plans. See a financial counselor for more information.

Most Commonly Asked Questions & Answers— For Participants

Q: Who is eligible to participant in the 403(b) plan?

A: All USG employees are eligible to participate upon hire. Employees who are enrolled as students are excluded.

Q: Can I make pre-tax or after-tax (Roth) contributions to the plan?

A: Yes, You are allowed to contribute on a pre-tax or a post-tax basis.

Q: How much can I contribute to the plan?

A: Currently, the maximum IRS contribution limit for 2020 is \$19,500 annually. Catch up provisions are allowed for age 50 and older that allow for an additional \$6,500.

Q: Does my employer contribute to the plan on my behalf?

A: Currently, the plan only receives employee directed contributions.

Q: What happens if I leave USG?

A: If you leave USG, you can keep your assets in the plan or you can take your assets from the plan. As a participant in the 403(b) plan, you are 100% vested in your contributions. If you take physical receipt of your proceeds as a result of a distribution prior to retirement you must rollover the assets into a qualified plan (either your new employer if they accept rollover contributions or an IRA) within 60 calendar days in order to avoid a tax penalty.

Q: Are distributions allowed for immediate financial hardship?

A: Yes, distributions are allowed for immediate financial hardships.

Q: When will my payroll deductions begin after I enroll?

A: Your deductions should begin as soon as administratively possible, subject to payroll deadlines. If you enroll on the first of the month, your deductions should begin that month.

Q: What happens to my account balance if I die?

A: Upon death, a participant's account balance will go to his/her beneficiaries.

Q: When can I begin taking qualified distributions from my 403(b) account?

A: A participant may begin taking distribution from their 403(b) when they attain the age of 59½.

Q: When will I have to pay taxes?

A: Federal and State income taxes must be paid on any withdrawal (pre-tax) from the plan. Participants may make a withdrawal upon termination of employment, death and/or age 59½. Qualified distributions from an After-Tax Roth account are tax-free.

Q: Are loans allowed?

A: Yes, loans are allowed on the Plan for a participant at any given time. A participant can have 2 loan(s) currently outstanding from the Plan. 1 General Purpose and 1 Residential loan.

Q: Does the plan accept rollover contributions?

A: Yes, the plan accepts rollover contributions from any source, including other qualified plans, 403(b) plans, 457 plans or IRA's.

Q: Are distributions allowed for immediate financial hardship?

A: Yes, distributions are allowed for immediate financial hardships.

Personalized advice and education

You can get help deciding how to create the right investment mix with your chosen investment provider(s) over the phone or in person.

AIg (formerly VALIC): **800-448-2542** or **USG.VALIC.com**

CAPTRUST: **800-967-9948** or **captrustadvice.com**

Fidelity: **800-343-0860** or **getguidance.fidelity.com**

TIAA: **844-230-7524** or **TIAA.org/schedulenow**

Investment providers for the 403(b) and 457(b) plans

The Board of Regents of the University System of Georgia administers the ORP, 403(b), and 457(b) plans and has authorized the following three plan providers to manage the recordkeeping of your account, offer the plan's investment choices, and deliver customer service and other benefits. To enroll in a voluntary plan go to OneUSGConnect.edu and you will log into Retirement@Work.

AIg Retirement Services (formerly VALIC): **valic.com/usg**

Fidelity Investments: **nb.fidelity.com/public/nb/usg/home**

TIAA: **TIAA.org/usg**

Please note that you can contribute to one or more of the plan providers listed above.



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The University System of Georgia (USG) 457(b) Non-Qualified Tax Deferred Plan FAQs

Most Commonly Asked Questions & Answers— For Participants

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Q: Who is eligible to participant in the 457(b) plan?

A: All USG employees are eligible to participate upon hire. Employees who are enrolled as students are excluded.

Q: Can I make pre-tax or after-tax (Roth) contributions to the plan?

A: Yes, You are allowed to contribute on a pre-tax or a post tax basis.

Q: How much can I contribute to the plan?

A: Currently, the maximum contribution limit for 2020 is \$19,500 annually. Catch up provisions are allowed for age 50 and older that allow for an additional \$6,500.

Q: Does my employer contribute to the plan on my behalf?

A: No. The plan only allows for employee contributions.

Q: What happens if I leave USG?

A: If you leave USG, you can keep your assets in the plan or you can take your assets from the plan, As a participant in the 457(b) Plan, you are 100% vested in your contributions. If you take physical receipt of your proceeds as a result of a distribution prior to Retirement you can rollover the assets into a qualified plan (either your new employer if they accept rollover contributions or an IRA) Withdrawals are not subject to the early withdrawal penalty.

Q: Are distributions allowed for unforeseen emergencies?

A: Yes, distributions are allowed for unforeseen emergencies.

Q: When will my payroll deductions begin after I enroll?

A: Your deductions should begin as soon as administratively possible, subject to payroll deadlines. Ex. If you enroll on the first of the month, your deductions will begin the during the first payroll cycle of the following month.

Q: What happens to my account balance if I die?

A: Upon death, a participant's account balance will go to his/her beneficiaries.

Q: When am I required to begin Mandatory distributions?

A: A participant must begin taking Mandatory Required Minimum Distribution by April 1 following the calendar year in which you turn age 72, providing that you are no longer employed with USG.

Q: When will I have to pay taxes?

A: Federal and State income taxes must be paid on any withdrawal (pre-tax) from the plan. Withdrawals could occur due to termination of employment, death and or mandatory required distributions at age 72. Qualified distributions from a Roth account are tax-free.

Q: Are Loans Allowed?

A: Yes, loans are allowed on the Plan for a participant at any given time. A Participant can have 2 loan(s) currently outstanding from the Plan. 1 General Purpose and 1 Residential loan.

Q: Does the plan accept roll-over contributions?

A: Yes, the plan accepts rollover contributions from any source including other qualified plans, 403(b) plans, 457 plans or IRA's.

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