

## NEW FEATURES: TIAA 403(B) RETIREMENT PLAN

(Except where noted, the new features do not apply to current full-time employees)

### QUICK SUMMARY

- Effective June 1, 2022 BB&N is amending its 403(b) retirement plan to include two changes

These two changes do not affect current full-time employees.

- Number 1 change: Part-time employees may now participate in the BB&N 403(b) Plan
  - Part-time employees may now (just like full-time employees) elect to save for retirement from their pay by participating in the BB&N 403(b) plan.
  - Under this new feature, BB&N will make contributions if the part-time employee performs at least 1,000 paid hours in Plan measurement periods and meets other requirements (see below for more detail).
- Number 2 change: New Hires beginning on or after June 1, 2022 have minimum age and vesting requirements
  - *Age requirement:* In order to receive a contribution from BB&N, the participant must be 21 years of age at least 6 months before the Plan Year ends. The participant may still contribute voluntarily; the minimum age requirement applies only to the BB&N contribution. This new requirement *applies only* to employees whose first hour of service is on or after June 1, 2022.
  - *Vesting requirement:* New hires who complete their first hour of service on or after June 1, 2022, have a *one-time* 15 month vesting schedule relative to BB&N contributions. Separation of employment before 15 months results in forfeiture of BB&N contributions.

This change to deferral procedures affects everyone.

To make your savings rate more predictable and to simplify plan administration, we will only withhold your deferrals from your base compensation, without regard to any overtime, incentives, or stipends. If your pay is solely or mostly from stipends, such as seasonal coaches, we will withhold from stipends.

### MORE DETAIL

#### 1. Allowing All Part-time Employees to Save for Retirement from their Pay.

Like many schools, BB&N limited its 403(b) plan to employees expected to work, on average, 20 hours per week with an expectation of at least 1,000 hours in a 12 month

period. The new *plan feature* (the *Limited Participation Feature*) opens the Plan's **voluntary** savings feature to everyone under the same rules as apply to full-time employees. This is good news for coaches, part-time teachers, summer counselors and other temporary and seasonal employees. They can now save on a pre-tax basis (except for Social Security tax) and accumulate those savings while in the Plan. There are no income taxes while savings are in the Plan. IRS rollover rules permit continued tax deferrals if amounts are later rolled to IRAs or other qualified retirement arrangements. More detailed information on procedures, investment options, and tax and rollover rules will follow.

The new *Limited Participation Plan Feature* also allows BB&N contributions for part-time and seasonal employees where hours of service are so significant as to be close to full-time status. In order to receive contributions from BB&N, the employee must meet all of the following requirements to be eligible for BB&N contributions during a Plan Year:

- A. Complete a full 12 months with at least 1,000 hours of paid service before a Plan Entry Date. Plan Entry Dates for this one-time requirement are *January 1* and *July 1*. If July 1 is the Entry Date, compensation before July 1 is not counted for BB&N contributions. Age 21 before an Entry Date is also a requirement for those first employed after May 31, 2022;
- B. Complete at least 1,000 hours in the Plan Year; and
- C. Be employed on December 31 of the Plan Year

When a part-time employee qualifies for BB&N contributions for a Plan Year, the contribution is calculated and contributed after the Plan Year ends, usually no later than March 15. No interest will be added to the contribution.

## 2. The Age 21 Minimum Age Feature for BB&N Contributions

This new requirement *applies only* to employees whose first hour of service is on or after June 1, 2022. Age 21 must be reached prior to a January 1 or July 1 "entry date" of a Plan Year *to be eligible for BB&N contributions* for that year, and compensation before the actual entry date does not count. This new requirement applies only for purposes of BB&N contributions. Employees can participate in the 403(b) and save from their own pay, regardless of age.

## 3. The 15 Month Vesting Requirement

For employees who begin working on or after June 1, 2022 (including those with offer letters before that date) we have added a 15 month vesting requirement for BB&N contributions. If employment terminates before 15 months of paid services, regardless of reason, your Plan account for BB&N contributions will be forfeited. This is a one-time requirement, and does not apply to anyone already employed before June 1, 2022.

## **WHAT'S NEXT**

We will soon have for you a more detailed summary plan description that goes into even more detail for these and other Plan rules.

If you are a part-time, seasonal, or temporary employee and would like to contribute elective deferrals to the BB&N 403(b) plan, please 1) open an account with TIAA (instructions attached) and 2) complete a Salary Reduction Form (also attached) and return to [jpagounes@bbns.org](mailto:jpagounes@bbns.org). If you have questions regarding the enrollment process please contact a TIAA representative at 1-800-842-2888.