University of Colorado
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EMPLOYEE SERVICES

Voluntary Retirement Plans

Employee Guide

The University of Colorado wants to ensure all employees meet their retirement goals. That's why CU provides mandatory retirement plan contributions to eligible employees. View the Benefits Eligibility Matrix to check employee eligibility. In addition, the university offers faculty and staff access to voluntary retirement plans to grow their retirement savings. This guide will help you navigate voluntary plan options. You also have access to no-cost financial planning with TIAA financial planners. View the TIAA website to schedule your appointment.

Investment risk and investment rewards are assumed by each employee/retiree, and not by CU or PERA.

Plan Types

CU employees can participate in three different voluntary retirement plans. Whether you are ready to start saving a small amount or are looking to maximize your saving and investing opportunities, these plans are flexible and easy to navigate.

Voluntary retirement plans	Plan type	Plan sponsor/record keeper
University of Colorado 403(b)	A defined contribution plan with two contribution options: 1. Pre-tax contributions 2. ROTH (post-tax) contributions	TIAA
PERA 401(k) and 457	Defined contribution plans with two contribution options: 1. Pre-tax contributions 2. ROTH (post-tax) contributions	Empower

University of Colorado 403(b) Retirement Plan:

CU 403(b) has two ways to contribute.

1. **Pre-tax option:** Your contributions are taken out of your pay before it is taxed, which lowers your taxable income. You will pay taxes on distributions.
2. **ROTH (post-tax) option:** This option allows you to contribute post-tax dollars, giving you tax-free growth and tax-free distributions.

CU 403(b) Voluntary Plan website

CU 403(b) Plan Summary (PDF)

ROTH Account FAQs IRS website

PERA 401(k) and PERA 457:

The PERA 401(k) and PERA 457 have two ways to contribute.

1. **Pre-tax option:** Your contributions are taken out of your pay before it is taxed, which lowers your taxable income. You will pay taxes on distributions.
2. **ROTH (post-tax) option:** This option allows you to contribute post-tax dollars, giving you tax-free growth and tax-free distributions.

PERA 401(k) Voluntary Plan website

PERA 457 Voluntary Plan website

Plan Features

When considering which plan or combination of plans to participate in, it helps to know each plan's features. Basic plan features are listed in the table below. If you're still unsure of which plan is right for you, know that you have access to no cost financial planning through one-on-one consultations provided by TIAA. View the TIAA website to schedule an appointment.

For detailed information on distributions, early withdrawals, loans, or recently enacted laws that affect any distributions on these plans, please contact TIAA for the 403(b) plan or PERA for the 401(k) and 457 plans.

If you are taking a distribution, you must attest to the following: "I attest I terminated from all employment with CU and CU Medicine. I do not plan on future employment with either employer. If I become employed by either employer, I will cancel any pending or future distributions through TIAA."

	University of Colorado 403(b) pre-tax	**University of Colorado 403(b) ROTH (post-tax)**	**PERA 401(k) pre-tax and ROTH (post-tax)**	**PERA 457 pre-tax and ROTH (post-tax)**
Qualifying distributions	• attain age 59 ½ • retirement • severance of employment • disability • financial hardship	• 5 taxable year period has passed • attain age 59 ½ • severance of employment • disability • financial hardship	• attain age 59 ½ • retirement • severance of employment • disability • financial hardship	• attain age 59 ½ while employed • required minimum distribution (RMD): attain age 72 while employed (age 70 ½ if born before July 1, 1949) • retirement • severance of employment • financial hardship
Early withdrawal penalties	before age 59 ½	before age 59 ½	before age 59 ½	N/A
Plan loan provisions	limited*	limited*	limited**	limited**
Special catch-up contributions (as defined by the plan)	none	none	none	limited***

*See plan document or contact a TIAA representative for further plan details.

CU 403(b) Voluntary Retirement Plan Summary

TIAA CU website

** See PERA website or contact PERA for plan details.

PERA 401(k) Plan Information

PERA 457 Plan Information

*** PERA 457 additional catch-up information: For three consecutive years prior to normal retirement age participants may be able to contribute up to twice the available limit ($46,000 for 2024) if under-contributed in prior years. PERA's approval required.

Contribution Limits

The voluntary retirement plans offer you flexibility in how much you contribute. All three plans have no minimum contribution, allowing you to start contributing from day one. If you want to maximize your savings, enrolling in the correct combination of accounts will allow you to do so. Understanding the contribution limits is a start to making the right decision. The IRS sets limits on how much money can be contributed in a given tax year.

2024 Contribution Limits:

TIAA	Empower		Empower
University of Colorado 403(b) Pretax contributions or ROTH (post-tax)	**PERA** 401(k) Pretax or ROTH (post-tax)		**PERA 457** Pretax contributions or ROTH (post-tax)
$23,000 Contribution limit Aggregated 403(b) and 401(k)		+	$23,000 Contribution limit
$30,500 total age 50+ (with catch-up of $7,500) Aggregated 403(b) and 401(k)			$30,500 total age 50+ (with catch-up of $7,500) **Additional catch-up contribution**
403(b) does not aggregate with the 401(a)	401(k) will aggregate with 401(a) $69,000 limit (excludes catch-up provision)		457 does not aggregate with the 401(a), 403(b) or 401(k)

The CU 403(b) and the PERA 401(k)* have a combined limit of $23,000.

If you are age 50+, the IRS allows you a catch-up contribution of $7,500, for a total of $30,500.

The PERA 457 has a separate limit of $23,000.

If you are age 50+, the IRS allows you a catch-up contribution of $7,500, for a total limit of $30,500.

The PERA 457 has an **additional catch-up contribution**: For three consecutive years prior to normal retirement age participants may be able to contribute up to twice the available limit ($46,000 for 2024) if under-contributed in prior years. PERA's approval required.

By using the correct combination of voluntary plans, the 2024 IRS limits allow you to contribute a combined total of $46,000, if you are under age 50, or $61,000, if you are age 50 or older.

***The aggregated 415c contribution limit is $69,000. This means the PERA 401(k) aggregates with the CU 401(a) Mandatory Retirement Plan. If you are contributing to the PERA 401(k), the contribution limits will aggregate with your CU 401(a), excluding the PERA 401(k) catch-up of $7,500.**

Individuals nearing their CU 401(a) limit can maximize their contributions by using the CU 403(b), which does not aggregate with the CU 401(a).

Enrolling In CU Voluntary Retirement Plans

University of Colorado 403(b) Enrollment Instructions

PERA 401(k) Enrollment Instructions

PERA 457 Enrollment Instructions

Working ORP Retiree – Effects on 403(b) Funds Distribution

When considering returning to work, it is essential that an ORP retiree understands the impact that it may have on their University of Colorado 403(b) Retirement Plans distributions.

While employed, as a regular employee or as a working ORP retiree, and if the employee is 59 ½ years of age, distributions are allowed as an in-service distribution from the University of Colorado 403(b) retirement plan.

Employees or retirees can schedule an appointment with TIAA financial consultant on the TIAA website or refer to the University of Colorado 401(a) Mandatory Retirement Plan Guide for further information.

Domestic Relations Order (DRO)

The term "DRO" refers to a court order that is made under a state's domestic relation law or community property law, which may involve assigning all or a portion of an employee's university retirement plan account accumulations to an alternate payee. Alternate payees are typically the employee's spouse or ex-spouse but may be another person such as a child or other dependent. A DRO may also name more than one alternate payee. The following rules only apply to the University of Colorado Retirement Plans. For PERA retirement plans, contact PERA by visiting www.copera.org or by calling 1-800-759-7372.

If the employee's retirement plan account becomes subject to a DRO, the employee will need to follow the process below:

1. The employee/retiree, alternate payee or their respective counsel should contact Employee Services Retirement regarding a need for the segregation of account(s) per a DRO.
2. Employee Services Retirement will provide a copy of the University of Colorado sample DRO template for use by the parties.
3. Upon completion of the draft DRO, the employee/retiree, alternate payee or their respective counsel should submit it to Employee Services Retirement with a copy of the Dissolution of Marriage and Separation Agreement (first page showing the parties and jurisdiction, all pages relevant to the retirement plans and last page showing applicable signatures).
4. Employee Services Retirement will review the submitted documentation to ensure that the draft meets the university's requirements. All parties involved shall be notified if the DRO will be acceptable as written upon issuance by the Court.
5. Once the Court has issued the DRO, a copy must be forwarded to Employee Services Retirement for approval by the DRO Committee. **Please Note:** The parties shall submit the DRO to the University **within ninety (90) days** after entry of the decree and the permanent orders regarding property distribution in the proceeding for the parties' dissolution of marriage, legal separation, or declaration of invalidity of marriage. This review typically will be completed in 1-4 business weeks.
6. Upon final approval from the university, the DRO will be forwarded to TIAA or the appropriate plan service provider/vendor for processing.