

## Important Retirement Savings Information 2012

Eligible employees may save additional pre-tax money towards retirement by participating in a supplemental retirement annuity plan. These are classified as IRS codes 403(b) plans. You may also direct your contributions to the NJ State Deferred Compensation Program. This plan is classified as IRS code 457(b). Eligible employees may choose to participate in a 403(b) and/or a 457(b) plan(s).

**These programs are separate from your basic retirement plan and all university employees who work at least 20 hours or more per week are eligible to participate.**

**The 403(b) plan** provides a general limit contribution up to \$17,000 and catch-up elective contribution options which exceed the general limits. *The age 50 or over catch-up option* allows individuals age 50 or over to contribute up to \$5,500 more. *The 15 years of service catch-up option* allows individuals to contribute up to \$3,000 more. The maximum plan contribution for 2012 is \$25,500.

**Note:** an employee must be with the same employer for 15 years and must contact his/her investment carrier(s) to determine if they are eligible for the full \$3,000, 15 years of service catch-up amount. A special calculation is required from the vendor.

### **Enrollment**

Participants must complete a Salary Reduction Agreement Form (SRA), Vendor Allocation Form and any paperwork required by their vendor. Each vendor provides a selection of investment choices to meet the needs and goals of individual retirement planning.

You can direct voluntary contributions among six authorized investment vendors.

#### **Authorized Investment Carriers 403 (b)**

Valic, Peter Ippolito, (800) 892-5558 x88323

AXA Financial/Equitable, Marc Sheridan, (908) 230-2042

The Hartford, Sheila Jacobs, (848) 248-4832

ING Life Insurance and Annuity Co., Eric Seiferth, (856) 439-0770

Met Life, Randy Warren, (856) 297-4184

TIAA-CREF, Mike Pascucci, (609) 243-6040

**The 457 plan** provides a general limit contribution up to \$17,000 and catch-up elective contribution options which exceed the general limit contribution. *The age 50 or over catch-up option* allows individuals age 50 or over to contribute up to \$5,500 more or *the last three years before reaching normal retirement age catch-up option* allows individuals to contribute up to \$17,000. Participants can not elect both options. The maximum plan contribution for 2012 is \$34,000. A special calculation is required from Prudential Insurance Company.

### **Enrollment**

Participants must contact the Prudential Representative to complete the required paperwork to enroll and have their contributions initiated.

#### **Authorized (457b) Administrator**

NJ State Deferred Compensation Plan (457b), Administered through Prudential Insurance Company, Patricia Scherer, (866) 657-3327.

~See below Tables~

Table 1 details the options available for each plan

<b>Table 1: Maximum Tax Shelter Limits for 2012 403(b) and 457 Plan</b>	<b>General Limit</b>	<b>Catch-up option Age 50 or over</b>	<b>Catch Up Option Last 3 yrs prior to retirement (457 only)</b>	<b>Catch-up Option 15 yrs service 403(b) only</b>	<b>Maximum Contribution 2012</b>
<b>403(b)</b>	<b>\$17,000</b>	<b>Up to \$5,500 additional</b>	<b>N/A</b>	<b>Up to \$3,000 additional</b>	<b>Up to \$25,500</b>
<b>457</b>	<b>\$17,000</b>	<b>*Up to \$5,500 additional or</b>	<b>* Up to \$17,000</b>	<b>N/A</b>	<b>Up to \$34,000</b>

\*The 457 allows up to \$5,500 more when electing the age 50 catch-up option or up to \$17,000 more when electing the last 3 years catch-up option, whichever is greater, to a maximum of \$34,000.

Table 2 details the maximum tax shelter limits and options for 2012 when the 403(b) and 457 general limit and catch-up options are combined.

<b>Table 2: Maximum Tax Shelter Limits for 2012 Combined w/Catch-Up Options 403(b) and 457 Plan</b>	<b>General Limit</b>	<b>Catch-up option Age 50 or over 403(b) and 457</b>	<b>Catch Up Option Last 3 yrs prior to retirement (457 only)</b>	<b>Catch-up Option 15 yrs service 403(b) only</b>	<b>Maximum Contribution 2012</b>
<b>403(b) &amp; 457 Combined</b>	<b>\$17,000 to each up to \$34,000</b>	<b>*Up to \$5,500 additional each plan or \$5,000 in a 403(b) and →</b>	<b>*Up to \$17,000 in a 457</b>	<b>\$3,000</b>	<b>Up to \$59,500</b>