



## Important Information About Eligibility

# TEXAS TECH UNIVERSITY 403(B) TAX DEFERRED ACCOUNT (TDA)

### New contribution levels for 2025

All employees, except students performing services exempt from FICA, are eligible to participate in a voluntary 403(b) program, referred to as a Tax Deferred Account (TDA).

### What is a 403(b) plan?

A 403(b) plan is a tax-deferred retirement account available to employees of educational institutions and certain non-profits, and governmental organizations. In this plan, you can make pre-tax contributions for retirement savings through payroll deduction.

Distributions are generally only available when you reach age 59½ or experience a severance of all employment. However, distributions may also be available in the event of financial hardship, death, or disability. Penalties may apply on withdrawals prior to age 59½.

### Why contribute to a 403(b)?

Participation in the plan may provide a tax savings— 403(b) contributions may be made on a pre-tax basis which can reduce your current income tax liability. An after-tax option, called Roth, is another way to have additional savings for retirement.

Roth Contributions – a participant may choose to make after-tax contributions to a Roth account. The account will have tax-deferred growth.

**2025 Contribution Levels** – Tax law allows savings up to \$23,500 in 2025. If you are age 50 or over, you may be able to contribute an additional \$7,500 as catch-up.

Note to ORP participants: These limits may be reduced for individuals participating in the Optional Retirement Plan (ORP). The annual combined limit for ORP and TDA is \$70,000 for 2025.

Tax-Deferred Growth – Participant accounts in the 403(b) plan are tax-deferred. This means the growth and interest accrued is tax-free, until time of withdrawal.

Enhanced Retirement – Other sources of retirement income – including state plans like the Teacher Retirement System of Texas (TRS), ORP, and Social Security – often do not adequately replace a person's salary upon retirement. A 403(b) TDA can provide a supplement to an employee's retirement income.

Enroll now or change your current enrollment – Enrollment is always "OPEN" for the TDA plan. More information regarding the Texas Tech 403(b) plan and the approved vendor list is available from Human Resources or on the website: [www.depts.ttu.edu/hr](http://www.depts.ttu.edu/hr). Enrollment is available on-line at the Retirement Manager website: <https://www.corebridgefinancial.com/rs/myretirementmanager>