Retirement Plan

Notices/Helpful Resources

- Universal Availability Notice and Limits:
  - 2023: 403(b)/457(b) Universal Availability Notice and Limits
  - 2022: 403(b)/457(b) Universal Availability Notice and Limits
  - 2021: 403(b)/457(b) Universal Availability Notice and Limits
  - 2020: 403(b)/457(b) Universal Availability Notice and Limits
  - 2019: 403(b)/457(b) Universal Availability Notice and Limits
- General Notices
  - Material Modification - Secure Act

Salaried/Faculty Retirement Plans

New Option: Roth 403(b) and 457(b); available September 4th, 2018.

- For more information: Roth Flyer
- MaineStreet Guide: Voluntary Deductions

Enrollment in the faculty/salaried retirement program is mandatory/non-elective for eligible faculty and
salaried employees age 30 and older (voluntary/elective prior to age 30). The University contributes an
amount equal to 10% of the employee's base salary, and the employee contributes 4% of base
salary. Part-time employees are generally ineligible for UMS Matching Contributions.

There is a five year vesting period for the University's retirement contributions to this plan for salaried
(excluding faculty) employees hired on or after January 1, 2010.

Related Information

Retirement Plan Adoption Agreement
Optional Retirement Savings Plan Adoption Agreement
Tax Deferred Annuity Adoption Agreement
Incentive Retirement Plan Policy
Partial/Phased Retirement Plan Policy
  - Partial/Phased Retirement Plan Agreement
  - Partial/Phased Retirement Plan Application
Faculty & Professional Retirement Plan Description
  - Faculty & Salaried Retirement Plan Payout Options
Salary Reduction Agreement for Faculty & Professional Employees
Retirement Guide for Salaried Employees
Social Security Retirement Estimator

Hourly Retirement Plans

NCRP Notice to Interested Parties

The program is mandatory for eligible hourly-paid (biweekly-paid) employees hired on and after July 1,
1998. Employees must contribute 1% of their base salary. In addition, employees can voluntarily
contribute up to an additional 3% of their base salary. The University matches these contributions dollar
for dollar up to a maximum of 4% of the employee’s base salary. Part-time employees are generally
ineligible for UMS Matching Contributions.

There is a vesting period for the University's retirement contributions to this plan.

- New participants between January 1, 2010 and December 31, 2012 will have a four-year
  vesting period
- New participants on or after January 1, 2013 will have a five-year vesting period

After an hourly employee has completed four years of service, the University of Maine System will
provide an additional contribution to the plan equal to 6% of the employee’s base salary.

Related Information

Tax Deferred Annuity Adoption Agreement
Adoption Agreement for Hourly Employees
Hourly-Paid Basic Retirement Plan

Vendor Contact Information

Vendor: TIAA
Phone #: 1-800-842-2776
TIAA Microsite: https://www.tiaa.org/public/tcm/ums/

Voluntary Deductions

To set up UMS payroll deduction:

1. Log in to https://mainestreet.maine.edu
2. Navigate to Employee Self-Service > Payroll and Compensation > Voluntary Deductions
3. Click Add a Deduction or Edit
4. Enter the desired information and click Submit
5. Questions can be directed to the Employee Benefits Center at (207) 973-3373 or email benefits@maine.edu.
457(b) Deferred Compensation Plan

New Option: Roth 403(b) and 457(b); available September 4th, 2018.

- For more information: Roth Flyer
- MaineStreet Guide: Voluntary Deductions

Adoption Agreement for Eligible Governmental 457 Plan
457(b) Voluntary Plan

The University of Maine System is pleased to provide a 457(b) Deferred Compensation Plan, which can help all employees save even more for their retirement. This plan may improve your ability to save for the future. The opportunity to provide this program is a direct result of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA).

403(b) vs. 457(b)

How does the 457(b) plan differ from other tax-deferred options currently offered through the University of Maine System 403(b) plan? Although both plans operate similarly regarding the ability to tax-defer retirement contributions, there are some differences. First, EGTRRA permits you to tax-defer under both the 403(b) and 457(b) plans at the same time. This means that you can contribute the annual maximum to each plan, thus doubling the amount that you can tax-defer during the calendar year. Second, the 457(b) plan does not contain the early retirement withdrawal penalty applicable to the 403(b) plan for someone who separates from employment under age 59 1/2 and wishes to withdraw their accumulation. Finally, the 457(b) plan might work better for someone who wants to contribute substantially more as/she nears retirement, because of the more generous catch-up provisions.

Your basic retirement plan contributions and the corresponding University matching contributions MUST continue to be directed to the 403(b) plan -- they may not be directed to the 457(b) plan. Only voluntary sheltered contributions above your basic retirement plan contributions may be directed to the 457(b) plan.

The 457(b) plan is a tax-deferred plan that functions much like the 403(b) tax-deferred plan -- it provides an opportunity to set retirement monies aside that are deferred for federal and state taxes. All University employees who are eligible to shelter under the 403(b) plan will also be eligible to also shelter under the 457(b) plan. EGTRRA permits you to participate in both the 403(b) and 457(b) plans up to the calendar year maximums for each plan.

For calendar 2020, the 457(b) maximum is the lesser of 100% of pay or $19,000; if you are age 50, you are eligible for an additional $6,000 catch-up, for a total of $25,000.

For calendar 2019, the 457(b) maximum is the lesser of 100% of pay or $19,000; if you are age 50, you are eligible for an additional $6,000 catch-up, for a total of $25,000.

When an employee leaves University employment, the 457(b) plan will have the same cash-out/transfer provisions as the 403(b) plan and applicable in-service hardship withdrawal provisions, subject to IRS guidelines.

The chart below (adapted from one prepared by TIAA) provides a comparative overview of the key features of 403(b) and 457(b) plans:

<table>
<thead>
<tr>
<th>Features</th>
<th>403(b) Plan</th>
<th>457(b) Public Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxability</td>
<td>Amounts are taxable when distributed</td>
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Vendor Contact Information

Vendor: TIAA

Phone #: 1-800-842-2776

TIAA Microsite: https://www.tiaa.org/public/tcm/ums/

Voluntary Deductions

To contribute to a 457(b) plan and set up UMS payroll deduction:

1. Log in to https://mainestreet.maine.edu
2. Navigate to Employee Self-Service > Payroll and Compensation > Voluntary Deductions
3. Click Add a Deduction or Edit
4. Enter the desired information and click Submit
5. Questions can be directed to the Employee Benefits Center at (207) 973-3373 or email benefits@maine.edu.
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<th><strong>Contributio</strong>&lt;br&gt;<strong>n Coordination</strong></th>
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<tr>
<td><strong>Age 50 Catch-Up Amounts</strong></td>
<td>An additional $6,000 is permitted, for those age 50 and over, with higher amounts in future years. Can use the age 50 catch-up amount in both 403(b) and 457(b) plans.</td>
<td>An additional $6,000 is permitted, for those age 50 and over, with higher amounts in future years. Can use the age 50 catch-up amount in both 403(b) and 457(b) plans. If within three years of plan’s normal retirement age, employee is eligible for the greater of the age 50 catch-up or an enhanced limit (not both) – see next feature.</td>
</tr>
<tr>
<td><strong>Other Catch-Up Amounts</strong></td>
<td>For those within three years of plan’s normal retirement age, additional amount up to twice the applicable limit or unused amounts from prior years, whichever is less. Employees are eligible for greater of enhanced limit or age 50 catch-up contributions, but not both.</td>
<td>For those within three years of plan’s normal retirement age, additional amount up to twice the applicable limit or unused amounts from prior years, whichever is less. Employees are eligible for greater of enhanced limit or age 50 catch-up contributions, but not both.</td>
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<td><strong>Triggering Events To Access Funds</strong></td>
<td>Separation from employment, age 59 1/2, retirement, disability, or death. Hardship distributions may also be available. Employer contributions will be restricted under the terms of the plan.</td>
<td>Separation from employment, age 70, retirement, or death. Distributions due to unforeseeable financial emergency may also be available.</td>
</tr>
<tr>
<td><strong>Early Withdrawal Penalty</strong></td>
<td>Yes. 10% before age 59 1/2, unless due to death, disability, or separation from service after attainment of age 55.</td>
<td>None.</td>
</tr>
<tr>
<td><strong>Loans</strong></td>
<td>Yes, but loans are subject to the employer’s plan and there may be restrictions. Typically, you can borrow between $1,000 and $50,000 per plan. The amount you can borrow depends on the amount in your annuity account that is available for loans.</td>
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Reminder: There are inherent risks in investing in securities. Past performance is no guarantee of future results. Because investment return and principal values will fluctuate, an investor’s accumulation, when redeemed, will be worth more or less than the original value.

**Related Information:**

- 457(b) Voluntary Retirement Plan Description  
  (Plan Description - PDF Version)
- Salary Reduction Agreement for Faculty & Professional Employees
- Salary Reduction Agreement for Hourly-paid Employees