

# LLUFMG Retirement Plan

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- Your Retirement Plan consists of two parts:
  - 1) MERP – **employer** annual contributions (discretionary)
  - 2) TSA - 403(b) – **employee** elective salary deferrals  
(you decide how much to save from your paycheck)

# LLUFMG MERP

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## 1) MERP- Employer Annual Contribution (discretionary):

- › Eligibility – you must be at least 20 years old and work at least 1,000 hours during the plan year
- › Enrollment – all eligible employees are automatically enrolled in the Plan on the date of hire (or the date they turn 20 years old)
- › Amount of discretionary contribution – announced by March 15th for the previous year; deposited to your account no later than Sept. (e.g., receive contribution for 2020 plan year in 2021)
- › Broad range of investment choices

## Vesting Schedule for MERP Contributions

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- “Vesting” is when LLUHC’s or your participating employer’s contributions belong to you!

Years of Service	Vested Interest
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

*You will become vested in your account immediately if you are employed at LLUHC and reach age 65, or due to disability or death.*

*You’re always 100% vested in your TSA - 403(b) salary deferrals and any rollovers from other qualified plans.*

# Elective Salary Deferrals (TSA-403b)

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## 2) TSA-403(b) Employee Elective Salary Deferral:

Eligibility – 1st of the month following your date of hire

Employee payroll deduction -tax advantaged

You choose how much you want to save from your paycheck

- Current tax savings (i.e., pre-tax contributions) or after tax savings (i.e., Roth) -your choice, details to follow
- Automatic saving & investing is easier!

Contribution limits:

1-90% of your income to \$19,500 in 2020

- '50 & Over' Catch-Up of \$6,500 more in 2020  
(total \$26,000 in 2020)

- You may change your contribution rate at any time (VRU or website)

Broad range of investment choices

# Your Contributions: Pre-tax, ROTH or Both?

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- Traditional 403(b) = Pay Taxes Later
  - Pre-tax contribution
  - Tax-deferred accumulation
  - Pay taxes at distribution
  
- ROTH 403(b) = Pay Taxes Today
  - After-tax contribution
  - Tax-free accumulation\*
  
- You may choose pre-tax &/or ROTH for your contributions
  - Company contributions are pre-tax

*\* Requires minimum of 5 years + age 59 ½ before distribution*