The University of Colorado (the “University”) provides you with the opportunity to save for your retirement through the 403(b) Plan (“Plan”). Whether you want to enroll in the Plan, or you are already enrolled but wish to change the amount of your Salary Deferral contribution, you can accomplish your goal by filling out a “403(b) Tax Deferred Salary Reduction Agreement” (“Salary Reduction Agreement”). To obtain a copy of the Salary Reduction Agreement and information on the Plan, you may go to the Employee Services’ website at https://www.cu.edu/employee-services/benefits-wellness/current-employee/retirement-plans/voluntary-retirement-savings.

Eligibility

All University employees are eligible to participate in the Plan. You may make or modify your election by submitting a Salary Reduction Agreement to Employee Services or you may enroll online through your employee portal. The Salary Reduction Agreement must be received by Employee Services by the tenth of the month that the salary reductions are to begin or be modified. Bi-weekly employees should refer to the payroll calendar located on the Employee Services website for deadlines.

Salary Deferral Contribution Limits

You may make Salary Deferral contributions up to $20,500 in 2022 and $22,500 in 2023 (unless limited under the Plan). This annual Salary Deferral contribution limit is subject to change each year. In addition, this limit may be increased by $6,500 in 2022 and by $7,500 in 2023 if you are eligible to make “catch-up” contributions under the Plan (employees age 50 or older). You only get one Salary Deferral contribution limit for contributions to all 403(b) and 401(k) plans. So, if you are also a participant in the PERA 401(k) Plan or in a 403(b) or 401(k) plan of another employer, your combined contributions to that plan and to the University’s 403(b) Plan are generally limited to $20,500 in 2022 and $22,500 in 2023 (not including any catch-up contribution). If you do participate in more than one retirement plan, you are responsible for tracking and reporting the amount of all your contributions to the plans so that the total amount of all your contributions to all plans in which you participate does not exceed the limit.

In addition to the individual Salary Deferral contribution and catch-up contribution limits, there are generally separate limits for the total contributions made (including employee and employer contributions, but not including catch-up contributions) to (1) a 403(b) plan, and (2) qualified defined contribution retirement plans such as the University’s Optional Retirement Plan (“ORP”) and the PERA 401(k) Plan. Special rules may apply if you control a business which sponsors a retirement plan. Please consult your tax adviser. Also, please see the other Plan information materials on the Employee Services’ website or contact Employee Services for more information.

Tax Advantages

If you elect to make Salary Deferral contributions to the Plan, you may make these contributions on a pre-tax basis or on an after-tax basis (also referred to as Roth contributions).

- **Pre-tax contributions** – Salary Deferral contributions made on a pre-tax basis (and any earnings on those amounts) generally will not be subject to income taxes until the amounts are distributed from the Plan. Upon distribution, such amounts are taxed as ordinary income.

- **Roth contributions** – You may elect to make Salary Deferral contributions on an after-tax basis (i.e., such contributions are subject to income tax at the time contributed to the Plan) as Roth contributions. Such contributions (and earnings) will not be subject to income taxes when distributed from the Plan, if certain conditions are satisfied. Generally, the conditions are that at least five (5) years have passed since you began to make Roth contributions and the distribution is a “qualified distribution”. For this purpose, a qualified distribution is a distribution made due to your attainment of age 59½, death, or disability.

For further details, or if you have questions, please contact Employee Services at 303-860-4200 (option 3), or on the website at https://www.cu.edu/employee-services/benefits-wellness.