

# Voluntary Retirement Plans

## Employee Guide

The University of Colorado wants to ensure all employees meet their retirement goals. The university offers all employees access to voluntary retirement plans to grow their retirement savings. This guide will help you navigate voluntary plan options. You also have access to no-cost financial planning with TIAA financial planners. View the [TIAA website](#) to schedule your appointment.

*Investment risk and investment rewards are assumed by each employee/retiree, and not by CU or PERA.*

### Plan Types

CU employees can participate in three different voluntary retirement plans. Whether you are ready to start saving a small amount or are looking to maximize your saving and investing opportunities, these plans are flexible and easy to navigate.

Voluntary retirement plans	Plan type	Plan sponsor/record keeper
University of Colorado 403(b)	A defined contribution plan with two contribution options: <ol style="list-style-type: none"><li>1. Pre-tax contributions</li><li>2. ROTH (post-tax) contributions</li></ol>	TIAA
PERA 401(k) and 457	Defined contribution plans with two contribution options: <ol style="list-style-type: none"><li>1. Pre-tax contributions</li><li>2. ROTH (post-tax) contributions</li></ol>	Empower

### University of Colorado 403(b) Retirement Plan:

CU 403(b) has two ways to contribute.

1. **Pre-tax option:** Your contributions are taken out of your pay before it is taxed, which lowers your taxable income. You will pay taxes on distributions.
2. **ROTH (post-tax) option:** This option allows you to contribute post-tax dollars, giving you tax-free growth and tax-free distributions.

[CU 403\(b\) Voluntary Plan website](#)

[CU 403\(b\) Plan Summary \(PDF\)](#)

[ROTH Account FAQs IRS website](#)

### PERA 401(k) and PERA 457:

The PERA 401(k) and PERA 457 have two ways to contribute.

1. **Pre-tax option:** Your contributions are taken out of your pay before it is taxed, which lowers your taxable income. You will pay taxes on distributions.
2. **ROTH (post-tax) option:** This option allows you to contribute post-tax dollars, giving you tax-free growth and tax-free distributions.

[PERA 401\(k\) Voluntary Plan website](#)

[PERA 457 Voluntary Plan website](#)

## Plan Features

When considering which plan or combination of plans to participate in, it helps to know each plan's features. Basic plan features are listed in the table below. If you're still unsure of which plan is right for you, know that you have access to no cost financial planning through one-on-one consultations provided by TIAA. View the [TIAA website](#) to schedule an appointment.

For detailed information on distributions, early withdrawals, loans, or recently enacted laws that affect any distributions on these plans, please contact TIAA for the 403(b) plan or PERA for the 401(k) and 457 plans.

If you are taking a distribution, you must attest to the following: "I attest I terminated from all employment with CU and CU Medicine. I do not plan on future employment with either employer. If I become employed by either employer, I will cancel any pending or future distributions through TIAA."

	University of Colorado 403(b) pre-tax and ROTH (post-tax)	PERA 401(k) pre-tax and ROTH (post-tax)	PERA 457 pre-tax and ROTH (post-tax)
Qualifying distributions	<ul style="list-style-type: none"> <li>• attain age 59 ½</li> <li>• retirement</li> <li>• severance of employment</li> <li>• disability</li> <li>• financial hardship</li> <li>• ROTH requires a five-year holding period</li> </ul>	<ul style="list-style-type: none"> <li>• attain age 59 ½</li> <li>• retirement</li> <li>• severance of employment</li> <li>• disability</li> <li>• financial hardship</li> <li>• ROTH requires a five-year holding period</li> </ul>	<ul style="list-style-type: none"> <li>• attain age 59 ½ while employed</li> <li>• required minimum distribution (RMD): attain age 72 while employed (age 70 ½ if born before July 1, 1949)</li> <li>• retirement</li> <li>• severance of employment</li> <li>• financial hardship</li> <li>• ROTH requires a five-year holding period</li> </ul>
Early withdrawal penalties	before age 59 ½	before age 59 ½	N/A
Plan loan provisions	limited*	limited**	limited**
Special catch-up contributions (as defined by the plan)	For ages 50+ additional catch-up amount is \$7,500 For ages 60 through 63, age catch-up is \$11,250	For ages 50+ additional catch-up amount is \$7,500 For ages 60 through 63, age catch-up is \$11,250	For ages 50+ additional catch-up amount is \$7,500 For ages 60 through 63, age catch-up is \$11,250***

\*See plan document or contact a TIAA representative for further plan details.

[PERA 401\(k\) Plan Information](#)

[PERA 457 Plan Information](#)

\*\*\* PERA 457 additional catch-up information: For three consecutive years prior to normal retirement age participants may be able to contribute up to twice the available limit (\$49,000 for 2026) if under-contributed in prior years. PERA's approval required.

[CU 403\(b\) Voluntary Retirement Plan Summary](#)

[TIAA CU website](#)

\*\* See [PERA website](#) or contact PERA for plan details.

## Contribution Limits and Annual Catch-up

Understanding retirement plan contributions rules can feel overwhelming. This guide will help you work through the Internal Revenue Services (IRS) regulations as you consider your CU Voluntary Retirement plan options.

### Contribution Limits

The Internal Revenue Service (IRS) sets annual limits on how much you can contribute to retirement plans. These limits are updated each year. For 2026, the limit is \$24,500.

### Catch-up Contributions

In addition to standard contribution limits, the IRS allows extra contributions, called catch-up contributions, for certain employees age 50 or older.

- Beginning January 1, 2026, catch-up contributions for employees age 50 and older may be required as Roth after-tax contributions.
- If you earned more than \$150,000 in wages from CU in the **prior year**, and are not a PERA participant, your catch-up contributions must be made on an after-tax Roth basis even if you previously elected pre-tax contributions.
- The University of Colorado Voluntary Plans (403(b), 401(k) and 457) all have pre-tax and Roth after-tax options.

### 457 Plan Special Catch-up Contribution

Some plans provide additional contribution options beyond the standard catch-up.

- **The University of Colorado 403(b) or PERA 401(k):** No Special Catch-up contributions are allowed.
- **PERA 457:** If you have under-contributed to the PERA 457, you may be able to contribute up to twice the normal limit (\$49,000) for three consecutive years before normal retirement age. PERA will determine your eligibility for the Special Catch-up contributions.

### Aggregate Limits

Some plans share limits, while others are counted separately:

- 403(b) and 401(k) are combined and share one annual IRS limit.
- 457 contributions are tracked separately. The 457 does not aggregate, or share limits, with the 401(a), 401(k) or 403(b).
- If you participate in the CU 401(a) Mandatory Retirement Plan, your combined contributions to CU 401(a) and PERA 401(k) cannot exceed \$72,000 annually (excluding on age 50+ catch-up contributions).

## How do the rules apply to you?

Use the tables on the next page to see your contribution and catch-up options by wage level and age group:

- If your prior year FICA wages were \$150,000 or less, see Table 1.
- If your prior year FICA wages were over \$150,000, see Table 2.

**Table 1:** Prior Year FICA Wages \$150,000 or Less

(Catch-up contributions may be pre-tax or Roth after-tax)

Age Group	Annual Contribution Limit (2026)	Catch-Up Contribution Rule (2026)	403(b) + 401(k) Individual or Combined (Aggregate) Limit	457
Under Age 50	\$24,500	Not eligible for catch-up contributions	\$24,500	\$24,500
Age 50-59 & 64 or older	\$24,500 + \$8,000 <b>catch-up</b> = \$32,500	\$8,000 can be designated as <b>pre-tax</b> or <b>Roth after-tax</b>	\$32,500	\$32,500
Age 60-63	\$24,500 + \$11,250 <b>catch-up</b> = \$35,750	\$11,250 can be designated as <b>pre-tax</b> or <b>Roth after-tax</b>	\$35,750	\$35,750

**Table 2:** Prior Year FICA Wages Greater Than \$150,000

(Catch-up contributions must be Roth after-tax)

Age Group	Annual Contribution Limit (2026)	Catch-Up Contribution Rule (2026)	403(b) + 401(k) Combined (Aggregate) Limit	457
Under Age 50	\$24,500	Not eligible for catch-up contributions	\$24,500	\$24,500
Age 50-59 & 64 or older	\$24,500 + \$8,000 catch-up = \$32,500	\$8,000 can <b>only</b> be designated as <b>Roth after-tax</b>	\$32,500	\$32,500
Age 60-63	\$24,500 + \$11,250 catch-up = \$35,750	\$11,250 can <b>only</b> be designated <b>Roth after-tax</b>	\$35,750	\$35,750

**Reminder:** Starting January 1, 2026, Roth-only catch-up rules apply to employees age 50+ with prior year CU wages over \$150,000 (non-PERA).

## Enrolling In CU Voluntary Retirement Plans

[University of Colorado 403\(b\) Enrollment Instructions](#)
[PERA 401\(k\) Enrollment Instructions](#)
[PERA 457 Enrollment Instructions](#)

## Working Retiree – Effects on 403(b) Funds Distribution

When considering returning to work, it is essential that an ORP retiree understands the impact that it may have on their University of Colorado 403(b) Retirement Plans distributions.

**While employed, as a regular employee or as a working ORP retiree, and if the employee is 59 ½ years of age, distributions are allowed as an in-service distribution from the University of Colorado 403(b) retirement plan.**

Employees or retirees can schedule an appointment with TIAA financial consultant on the [TIAA website](#) or refer to the [University of Colorado 401\(a\) Mandatory Retirement Plan Guide](#) for further information.

## Domestic Relations Order (DRO)

The term "DRO" refers to a court order that is made under a state's domestic relation law or community property law, which may involve assigning all or a portion of an employee's university retirement plan account accumulations to an alternate payee. Alternate payees are typically the employee's spouse or ex-spouse but may be another person such as a child or other dependent. A DRO may also name more than one alternate payee. The following rules only apply to the University of Colorado Retirement Plans. For PERA retirement plans, contact PERA by visiting [www.copera.org](http://www.copera.org) or by calling 1-800-759-7372.

If the employee's retirement plan account becomes subject to a DRO, the employee will need to follow the process below:

1. The employee/retiree, alternate payee or their respective counsel should contact Employee Services Retirement regarding a need for the segregation of account(s) per a DRO.
2. Employee Services Retirement will provide a copy of the University of Colorado sample DRO template for use by the parties.
3. Upon completion of the draft DRO, the employee/retiree, alternate payee or their respective counsel should submit it to Employee Services Retirement with a copy of the Dissolution of Marriage and Separation Agreement (first page showing the parties and jurisdiction, all pages relevant to the retirement plans and last page showing applicable signatures).
4. Employee Services Retirement will review the submitted documentation to ensure that the draft meets the university's requirements. All parties involved shall be notified if the DRO will be acceptable as written upon issuance by the Court.
5. Once the Court has issued the DRO, a copy must be forwarded to Employee Services Retirement for approval by the CU DRO Committee. **Please Note:** In accordance with C.R.S. § 14-10-113 (6)(c)(1), the parties shall submit the DRO to the University **within ninety (90) days** after entry of the decree and the permanent orders regarding property distribution in the proceeding for the parties' dissolution of marriage, legal separation, or declaration of invalidity of marriage. This review typically will be completed in 1-4 business weeks.
6. Upon final approval from the university, the DRO will be forwarded to TIAA or the appropriate plan service provider/vendor for processing.