



Employee Guide: Voluntary Retirement Plans

The University of Colorado wants to ensure all employees meet their retirement goals. That's why CU provides mandatory retirement plan contributions to [eligible employees](#). In addition, the university offers faculty and staff 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](#).

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"> pre-tax contributions ROTH (post-tax) contributions 	TIAA
PERA 401(k) and 457	Defined contribution with pretax contributions	Empower

University of Colorado 403(b) Retirement Plan:

The CU 403(b) has two ways to contribute.

- 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.
- ROTH option:** This option allows you to contribute post-tax dollars, giving you tax-free growth and tax-free distributions.

[University of Colorado 403\(b\) Voluntary Plan Information](#)
[CU 403\(b\) Plan Summary](#)
[Retirement Plans FAQs on designated Roth Accounts - IRS](#)

PERA 401(k) and PERA 457:

The PERA 401(k) and PERA 457 voluntary retirement plans are defined contribution plans, which allow pre-tax contributions that lower your taxable income. With these types of plans, you will save on taxes now and pay taxes only on distributions.

[PERA 401\(k\) Plan Information](#)
[PERA 457 Plan Information](#)

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 financial planners](#).

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."

Plan administrator	University of Colorado	University of Colorado	PERA	PERA
Plan name	403(b) pretax	403(b) ROTH post-tax	401(l) pretax	457 pretax
Qualifying distributions	<ul style="list-style-type: none"> attain age 59 ½ retirement severance of employment disability financial hardship 	<ul style="list-style-type: none"> 5 taxable year period has passed attain age 59 ½ severance of employment disability financial hardship 	<ul style="list-style-type: none"> attain age 59 ½ retirement severance of employment disability financial hardship 	<ul style="list-style-type: none"> age-eligible distribution when attain age 59 ½ while employed required minimum distribution (RMD): attain age 72 while employed (age 70 ½ if born before July 1, 1949) retirement severance of employment financial hardship
Early withdrawal penalties	before age 59 ½	before age 59 ½	before age 59 ½	N/A
Plan loan provisions	limited*	limited*	limited**	limited**
Special catch-up contributions (as defined by the plan)	none	none	none	***An additional catch-up contribution : For three consecutive years prior to normal retirement age participants may be able to contribute up to twice the available limit (\$45,000 for 2023) if under-contributed in prior years. PERA's approval required.

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

[CU 403\(b\) Voluntary Retirement Plan Summary](#)
www.tiaa.org/cu

**See plan information or contact PERA for further plan details.

***Contact PERA
[PERA 401\(k\) Plan Information](#)
[PERA 457 Plan Information](#)
[PERA Website](#)

Contribution Limits

The voluntary retirement plans offer you flexibility in how much you contribute. All three plans have no minimum contribution, allowing you to start contributing from day one.

If you want to maximize your savings, enrolling in the correct combination of accounts will allow you to do so. Understanding the contribution limits is a start to making the right decision. The IRS sets limits on how much money can be contributed in a given tax year.

2023 Contribution Limits:

TIAA	Empower	Empower
University of Colorado 403(b) Pretax contributions OR ROTH (post-tax)	PERA 401(k) Pretax	PERA 457 Pretax contributions
\$22,500 Contribution limit Aggregated 403(b) and 401(k)	+	\$22,500 Contribution limit
\$30,000 total age 50+ (with catch-up of \$7,500) Aggregated 403(b) and 401(k)		\$30,000 total age 50+ (with catch-up of \$7,500)
403(b) does not aggregate with the 401(a)	401(k) will aggregate with 401(a) \$66,000 limit (excludes catch-up provision)	Additional catch-up contribution 457 does not aggregate with the 401(a), 403(b) or 401(k)

- The CU 403(b) and the PERA 401(k)* have a combined limit of \$22,500. If you are age 50+, the IRS allows you a catch-up contribution of \$7,500, for a total of \$30,000.
- The PERA 457 has a separate limit of \$22,500. If you are age 50+, the IRS allows you a catch-up contribution of \$7,500, for a total limit of \$30,000.
- The PERA 457 has an **additional catch-up contribution**: For three consecutive years prior to normal retirement age participants may be able to contribute up to twice the available limit (\$45,000 for 2023) if under-contributed in prior years. PERA's approval required.

By using the correct combination of voluntary plans, the 2023 IRS limits allow you to contribute a combined total of \$45,000, if you are under age 50, or \$60,000, if you are age 50 or older.

*The aggregated 415c contribution limit is \$66,000. This means the PERA 401(k) aggregates with the CU 401(a) Mandatory Retirement Plan. If you are contributing to the PERA 401(k), the contribution limits will aggregate with your CU 401(a), excluding the PERA 401(k) catch-up of \$7,500.

Individuals nearing their CU 401(a) limit can maximize their contributions by using the CU 403(b), which does not aggregate with the CU 401(a).

Enrolling in CU Voluntary Retirement Plans

[Enroll in University of Colorado 403\(b\)](#)

[Enroll in PERA 401\(k\)](#)

[Enroll in PERA 457](#)