



Date: January 31, 2025
To: UNC Supplemental Retirement Plan Participants
From: Brian Usischon
Vice President for Human Resource Services
Subject: Important Information About UNC Supplemental Plan Contributions

We are writing to inform you of an important update to the way supplemental retirement plan contributions are allocated.

Currently, you may have the option to participate in up to four supplemental retirement plans: the UNC System 403(b) Plan and the UNC System 457(b) provided by TIAA, as well as the State 457 Deferred Compensation Plan and the State 401(k) Plan provided by Empower.

Due to recent changes in federal law and to ensure compliance with IRS contribution limits, University employees are no longer permitted to split their contributions between the two carriers (TIAA and Empower). **Effective March 15, 2025, all contributions to your supplemental retirement plans must be directed to a single plan.**

What Does This Change Mean?

if you currently contribute to both the UNC System 403(b) Plan with TIAA and the State 401(k) Plan with Empower, you are no longer allowed to contribute to both plans because the contribution catch-up limits vary between the University Plans and the State Plans. To ensure compliance with IRS contribution limits to retirement plans, you must choose which plan to contribute to going forward. Consequently, if you are contributing to both the UNC 457(b) and State 457 Deferred Compensation Plan, you must choose just one plan to contribute to.

Please note the following:

- Immediate action is only required if your contributions are now directed to both UNC and State Plans (TIAA and Empower).
- This change only impacts future pre-tax and Roth after-tax deferrals. Your existing balances, even if allocated across both carriers, are unaffected.

What You Need to Do

This will require some adjustments to your contributions. To make this transition as seamless as possible, please review your current contributions and decide which plans will receive your future contributions. You can make updates by:

- Completing a new Salary Reduction Agreement for the UNC System 403(b) Plan,
- Completing a Voluntary Deferral Agreement for the UNC System 457(b) Plan,
- Completing a NC 401(k) Plan Enrollment Form for the State 401(k) Plan, and
- Completing a new NC 457 Deferred Compensation Plan Enrollment Form for the State 457 Deferred Compensation Plan.

You have until March 15, 2025, to change your supplemental retirement contributions and direct your future contributions. If you do not take any action to update your plan elections and contributions, your deductions will be suspended until such time that an updated election is submitted.

Questions?

If you have any questions or need assistance making changes to your elections, please reach out to your HR Benefits Team.

Thank you for your understanding and cooperation as we make this change to ensure compliance and optimize our benefits program.