



## 403(b) Plan Highlights

### **Eligibility:**

Employees are eligible to participate in the plan immediately upon date of hire. After completing 1 year of service (more than 1,000 hours), you will be eligible for contributions from the agency. Once eligibility is met, employees will be entered into the plan at the next Plan Entry Date (either 1/1 or 7/1)

### **Contributions:**

**Automatic Enrollment:** New hires are automatically enrolled into the plan with a contribution of 2% of pre-tax pay. You have 30 days to elect your own contribution amount or to opt out of participating before the first deduction.

**Elective Deferrals:** You can contribute between 1% and 100% of your salary up to a maximum of \$24,500 in 2026. If you are over the age of 50, you can contribute an additional \$8,000 annually as a “Catch Up Contribution [CUC].” Under a change made in SECURE 2.0 a higher catch-up contribution limit applies for employees aged 60-63 the higher catch-up contribution limit is \$11,250.00 Finally; Highly Compensated Employees CUC will be designated as Roth contribution instead of pre-tax.

**Before-Tax:** This type of contribution is tax-deferred, which means you will pay taxes on the contribution amount plus earnings when withdrawn. This lowers your taxable income in the current year.

**Roth:** This allows you to pay taxes on your contribution amount in the current tax year. Upon withdrawal, a distribution will be considered “qualified” if it has been at least 5 years since your first Roth deferral and you are over the age of 59 ½. A qualified distribution means that the earnings will not be taxed upon withdrawal.

**Employer Match\*:** Once eligible, the agency will match 50% of the first 4% that you contribute. For example, if you contribute 4% of your salary, the agency will contribute 2% of your salary on your behalf.

**Non-Elective\*:** Once eligible, employees hired after 12/31/14 will receive a 2% contribution annually that will increase to 4% after obtaining 8 years of service. Employees hired on or before 12/31/14 will receive a 4% contribution.

*\*Whether you choose to contribute before-tax or Roth dollars, the agency contributions will be made with before-tax dollars.*

### **Vesting:**

You are always 100% vested in the contributions that you make to the 403(b).

Employer Contributions are subject to the following vesting schedule:

- 2 years of service: 20%
- 3 years of service: 40%
- 4 years of service: 60%
- 5 years of service: 80%
- 6 years of service or more: 100%

### **Investments:**

There are three ways to invest the assets in your 403(b) plan:

**Do-It-Yourself:** You can choose a specific percentage of each contribution to be allocated to any of the 17 individual mutual funds offered in the plan.

**By Risk:** You can choose a pre-mixed portfolio based on your risk tolerance and your time horizon until retirement. There are 5 options ranging from Short-Term/Conservative to Ultra Aggressive.

**By Age:** You can choose a Target Date option, which provides diversification in one investment. These funds come in 5-year increments and rebalance automatically to become more conservative as you get closer to retirement. If you do not choose an investment option, you will be defaulted into the appropriate MFS Target Date option based on your age

### **Rollovers:**

You may be able to rollover outside retirement plans into your plan with Child and Family Agency. Principal’s Concierge Team can assist you with the process and can be reached at 1-800-547-7754



Advancing Individual & Community Health

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### **Contact Information:**

403(b) Plan Advisor:

**STIFEL**

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