

Tax Sheltered Annuities – Group Supplemental Retirement Plans / ROTH 403(b) Plans

All Post-Doctoral Associates are eligible to participate in a 403(b) group supplemental retirement plan. The group supplemental retirement plan allows enrolled participants to save for retirement by deferring a portion of salary into investments of the participants' choosing.

Participation in a Tax Sheltered Annuity, (Group SRA or "403(b) Tax Shelters" or Roth 403(b)) at Iowa State University is optional. These are considered elective deferrals and are not matched by any amounts from the University. Supplemental retirement plans provide an additional means to save for your retirement.

Vendors Allowed For Optional Investments:

- TIAA
- VALIC

Contract information is located on the Benefits web page: <http://www.hrs.iastate.edu/hrs/benefits>.

Effective Date:

If election is made prior to the 15th of the month, it will be effective the month of election or you may elect a future date. The Elective Payroll Reduction Agreement Form is located on the Benefits web page.

Contributions:

Under Section 403(b) of the Federal Internal Revenue Code, employees of an eligible employer may elect to make monthly (or semi-monthly) contributions through a payroll deduction process to a tax-sheltered annuity.

Taxation:

Contributions can be either:

- Pre-tax (standard) - taxation on these accounts occurs whenever the money is withdrawn.
- Post-tax (Roth)

Beginning a Roth 403(b):

Enrollment in the Roth 403(b) feature requires you to establish an account in a Group Supplemental Retirement Account (GRA or GSRA) with one of the approved vendors listed above.

Comparison of Traditional GSRA and the Roth 403(b):

	Traditional GSRA ISU 403(b)	Roth 403(b) feature to ISU 403(b)
Tax Status of Contributions	Pretax contributions reduce current taxable income.	After-tax contributions do not affect current taxable income.
Tax Status of Distributions After Age 59 ½	Taxed as current income.	Tax free and penalty free for investors who have had the account for at least five years.
Rollovers to Roth IRAs	Not permitted.	May be rolled over directly to a Roth IRA with no tax payment.

The logo for VALIC, featuring the word "VALIC" in a bold, blue, serif font.The logo for TIAA, featuring a blue square icon with a white geometric shape inside, followed by the word "TIAA" in a bold, blue, sans-serif font.