

An Investment in YOUR FUTURE

403(b) TDA Retirement Plan

You may be familiar with the Teacher Retirement System (TRS) or the Optional Retirement Program (ORP) because participation in one of these programs is mandatory for benefits eligible employees. But did you know: Regardless of the mandatory retirement program you participate in (TRS or ORP), you can choose to save additional money for retirement on a tax-deferred basis through the Tax-Deferred Account (TDA) program?

What is a Tax-Deferred Account (TDA)?

A tax-deferred account (TDA) plan offers an excellent opportunity to help accumulate money for retirement through payroll deduction. By contributing pretax dollars, you benefit from the opportunity for tax-advantaged growth and may potentially lower your current taxable income. You may also have the option to make after-tax contributions to a Roth account for heightened savings potential. Sometimes, a TDA plan is also referred to as a tax-sheltered account (TSA) or simply a 403(b) plan.

2024 TDA Contribution limits at a glance

If you are:		
Age	Years of service	Your contribution limit is:
Under 50	Less than 15	\$23,000
Under 50	More than 15	\$26,000
50 or older	Less than 15	\$30,500
50 or older	More than 15	\$33,500

Note: Contributions above the basic \$23,000 limit count against your 15 year catch-up lifetime limit first. Only amounts above both the basic \$23,000 and 15-year catch-up count as age 50+ catch-up contributions.

Retirement plan contribution limits

There are maximum limits to how much you can contribute to your retirement plans each year. These are governed by Section 415 and 402(g) of the Internal Revenue Code (IRC).

- **For your employer's 403(b) plan.** The defined contribution limit applies to all pretax and after-tax (i.e., non-Roth and Roth) contributions; mandatory employee contributions; and all employer-matching and nonmatching contributions. In 2024 the limit is the lesser of \$69,000 or 100% of compensation.
- **Salary reduction.** The elective deferral limit applies to pretax and after-tax (designated Roth) contributions that you voluntarily make under a salary reduction agreement with your employer. The combined pretax and after-tax elective deferral contributions to all 403(b) and 401(k) plans (even with different employers) and Simple IRA plans cannot exceed this limit.

Why Pentegra?

We believe Pentegra to be an excellent choice for 403(b) plans for many reasons:

- **Ultimate Fund Choice.** Pentegra believes participants have the right to choose investments that are best suited to their individual needs. We offer access to an investment platform with thousands of funds to choose from, with no hidden charges, surrender fees or penalties. Participants have the freedom to structure their best retirement plan based on their needs, not ours.
- **Work with an Independent Advisor.** Pentegra allows participants to work with the advisor of their choice. With Pentegra, advisors can do what they do best—develop customized retirement solutions for every participant.
- **Flexibility and Ease.** Pentegra has no minimum investment, unlimited allocation adjustments and transfers, online statements and informative, easy to understand quarterly statements.



Enjoy the ease of a single, flexible solution for personalized retirement investing with the confidence that comes with unlimited, unbiased fund options and objective advice.

Roth 403(b) TDA vs. Roth IRA

	Traditional 403(b)	Roth 403(b)	Roth IRA
Eligibility	All Employees	All Employees	<ul style="list-style-type: none"> • If filing status is single or head-of-household, Adjusted Gross Income “AGI” must not be more than \$146,000 (2024) • If filing status is married filing jointly, combined AGI must not be more than \$230,000 (2024) • Eligibility limits based on income.
2024 Contribution Limits*	\$23,000, plus up to \$3,000 under the 15-year catch-up, plus \$7,500 if age 50+.	\$23,000, plus up to \$3,000 under the 15-year catch-up, plus \$7,500 if age 50+.	\$7,000, plus \$1,000 if age 50+
Tax-Free Qualified Distribution**	Not available. All distributions are taxed as ordinary income	If the following criteria are met: 5 year holding period and distribution due to: <ul style="list-style-type: none"> • Attainment of age 59 ½ • Disability • Death 	If the following criteria are met: 5 year holding period and distribution due to: <ul style="list-style-type: none"> • Attainment of age 59 ½ • Disability • Death • Certain first-time home purchase
Distributions Permitted (may be subject to taxation if the distribution is not a Qualified Distribution)	<ul style="list-style-type: none"> • Age 59 ½ • Death • Disability • Financial Hardship • Separation from service 	<ul style="list-style-type: none"> • Age 59 ½ • Death • Disability • Financial Hardship • Separation from service 	At any time (no restrictions apply)
Internal Revenue Service 10% Premature Distribution Penalty Tax	Applicable to all amounts distributed prior to age 59 ½, unless an exception applies.	Applicable to earnings distributed prior to age 59 ½, unless an exception applies.	Applicable to earnings distributed prior to age 59 ½, unless an exception applies.
Loan Availability	Yes	Yes	No
Required Minimum Distribution	Yes	Yes	No, during owner's lifetime

*TDA limits can vary based on your facts and circumstances. Contact your benefits office for available limits.

**Note that distributions from the Roth 403(b) and Roth IRA are subject to taxation on the portion attributable to earnings if made before Qualified Distribution provisions are satisfied.

***This chart is provided solely for informational purposes and does not constitute investment, tax, or legal advice.

This chart was adapted from the material created by University of Texas Retirement Program.

Let's build a better retirement plan.
For more information, contact our Customer Service Center at
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