OREGON PUBLIC UNIVERSITIES

# Retirement Plans

## Winter 2022 Newsletter

## Ring in the New Year with Student Loan Forgiveness

Join your peers who are projected to receive over $4 million collectively in student loan forgiveness and check out Savi, provided by TIAA. Participants at the Oregon Public Universities average about $124 in projected savings each month and will be forgiven $44,560 on average (results will vary). Take 10-15 minutes of your time to visit tiaa.org/OPURP/student to answer questions and get your results that will show you:

1. The optimal repayment plan and your estimated monthly savings
2. Whether you qualify for a forgiveness plan, how much could be forgiven and when

If you decide to enroll in the Public Service Loan Forgiveness (PSLF) program, you will need to complete the proper paperwork and meet several ongoing requirements to receive the full benefits.

Managing all of the required steps to qualify for forgiveness has historically been challenging for 99% of borrowers. That's why Savi offers a service to help you enroll and remain compliant with all of the program rules. The modest $60 annual fee[1] covers:

- Generating all forms electronically and checking them prior to submission
- Tracking applications and forms with loan servicers and employers
- Providing payment and application filing reminders to ensure important deadlines are met
- Tracking the accrual of PSLF credits throughout the process to prevent surprises at the end of the repayment period

**IN THIS ISSUE:**

Savi experts keep you on track and help you through the entire process. They're also available to help if your circumstances or the program rules change at any time.

Get started today!  Visit tiaa.org/OPURP/Student or call 1-833-604-1226 weekdays, 8:30 a.m. to 8:00 p.m. (EST).

[1]A portion of the fee is shared with TIAA to offset costs to support the program. In addition, TIAA has a minority ownership interest in Savi.

---

OREGON PUBLIC UNIVERSITIES Retirement Plans

## Adoption/Birth Distributions for TDI Participants

**1. What is it?**

The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 allowed plan sponsors to offer participants the ability to take a $5,000 distribution from their defined contribution plans to help with expenses for an adoption or birth of a child. The Oregon Public Universities Retirement Plans (OPURP) implemented this provision in the Tax Deferred Investment (TDI) 403(b) Plan.

**2. When is this available?**

This option should be available on or shortly after January 1, 2022.

**3. Who is eligible?**

Participants who adopt a child or have a child, if the distribution is requested during the 1-year period beginning on the date on which the child of the individual is born or the date that the legal adoption of an eligible adoptee was finalized by the individual.

**4. What is an eligible adoptee?**

That term is defined as any individual who has not attained the age of 18 or who is physically or mentally incapable of self-support (generally the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-term and indefinite duration). It does not include the adoption of the child of a participant's spouse.

**5. What is the total distribution allowed?**

The maximum amount that you may request is $5,000 per child. Therefore, if the distribution is for twins, the participant can request $5,000 for each child.  Also, if both parents have plans that allow the distributions, they are able to each request distributions.  The distributions are made in $5,000 increments, and therefore, participants would have to make multiple requests.

**6. What about taxes?**
The participant can request a 0% withholding or a higher withholding and also request that state taxes be withheld. Some vendors default to a 10% withholding unless told otherwise by the participant. There is no penalty on the distribution, even for those under the age of 59 ½.

**7. How do I request a distribution?**

You will need to work directly with the record keeper who holds your account; each one may have a different process.

The contact numbers are below:

Fidelity - 800-343-0860

TIAA - 800-842-2252

AIG - 800-448-2542

**8. Will I have to provide documentation?**
No, you will need to self-certify with the record keeper when you apply for the distribution.

**9. Is Roth money available for these distributions?**
Yes. The distribution will be pro-rated and money will come out first from any pre-tax dollars and then Roth.

**Required Minimum Distribution (RMD) Common Questions**

## Learn about your RMD distribution options, including a 2020 change in the required distribution age from 70½ to age 72.

**What is an RMD?**

A required minimum distribution (also called an MRD) is a yearly, mandatory withdrawal from a tax-deferred retirement account, like a traditional IRA, 401(k), or 403(b) plan, which you must start taking when you reach the IRS defined age.

**What is the IRS defined age at which I must start my RMD?**

You must take your first required minimum distribution (RMD) for the year in which you turn age 72 (Or, 70 ½ if you reached 70 ½ before January 1, 2020).

**What is the deadline for taking my first RMD?**

After reaching the appropriate age, the IRS requires you to take a required minimum distribution (RMD) from a workplace saving plan by December 31 each year. However, if this is the first year you are required to take an RMD, you have the option to delay it until April 1 of the year after you reach age 72.

If you continue to work beyond age 72, you might not have to take an RMD until you retire, and then you may be able to delay taking distributions until April 1 of the year after you retire. If you defer your first RMD until April 1, then you will receive two RMDs that year. The first RMD must be distributed by April 1 for the prior tax year, and the second RMD must be distributed by December 31, for the current tax year. Please check with your plan administrator for your plan rules and to learn when you'll need to start your distributions.

**How do I get started to take my first RMD?**

You can opt to take one-time distributions for your RMDs year after year, but the easiest way to satisfy your RMD is by setting up automatic withdrawals. This way, you avoid the potentially costly consequences of forgetting to take your RMD. Distributions can be taken in the form of a check sent to you, or a transfer to your bank, brokerage, or cash management account. You choose when you want to receive the funds, monthly, annually, or a schedule of your choosing.

Your required minimum distribution amount is calculated by dividing your tax-deferred retirement account balance as of December 31 of the previous year by your life expectancy factor. Generally, you must start taking distributions no later than April 1 of the year after the year that you turn 72. Your plan may have additional requirements.

**How did the CARES Act of 2020 impact RMDs?**

If you were scheduled to take a required minimum distribution (RMD) from your retirement savings plan in 2020, the government waived this requirement for that one year (excluding 457(b) plans sponsored by tax-exempt entities). Beginning in 2021, you will be required to take your RMD payments again if they were already started, or, if 2021 is the first year in which you are going to be 72 and no longer working with the employer through which you have your retirement plan.

**If I took an RMD from my workplace savings plan in 2020, can I move it to an IRA?**

Under the CARES Act, required minimum distributions (RMDs) weren't required in 2020 (excluding 457(b) plans sponsored by tax-exempt entities), making them voluntary and considered eligible rollover distributions, which would be eligible for a 60-day rollover to an IRA or eligible retirement plan.

**How are RMDs calculated?**

Your required minimum distribution (RMD) amount is calculated by dividing your retirement account balance as of December 31 of the previous year by your life expectancy factor, which you can find in the IRS's Uniform Lifetime Table in IRS Publication 590-B.

If your spouse is more than 10 years younger than you, and they will be the sole primary beneficiary for the entire distribution calendar year, you may elect to use the IRS's Joint and Last Survivor Table to calculate your RMD. This will result in a smaller RMD than with the Uniform Lifetime Table.

**May I take more than my RMD in a given year?**

You may take more than the required minimum distribution (RMD) amount from your workplace savings plan in a given year, depending on your plan's withdrawal provisions. If you take more than what's required, the excess amount will not be applied toward your RMD for any subsequent year. Any amounts above the RMD calculated for you in a given year are eligible to be rolled over.

**Do I have to take an RMD if I am still working?**

If you continue to work beyond age 72 you may delay taking required minimum distributions (RMDs) from your workplace savings plan until April 1 after the year you retire.

Please check with your plan administrator to understand your plan rules and when you'll need to start your RMDs.

**If I have more than one workplace retirement plan, do I have to take an RMD from each?**

Your RMD for each employer-sponsored retirement plan must be distributed from that plan* and does not have an impact on any RMD you may be required to take from your IRAs. The amount of any RMD is not eligible for rollover; but any additional amount withdrawn for that year may be rolled over to an IRA.

*If you are a participant in more than one 403(b) plan you may choose to aggregate your RMDs and withdraw from a single 403(b) account to satisfy the annual requirement. Please contact your tax advisor for your situation.

**What are my options for tax withholding when I take my RMD?**

Federal income tax will be withheld from the taxable portion of your distribution in accordance with the IRS periodic wage withholding table and your withholding election form on file. If you have not made withholding elections, then the IRS default withholding option of married and three allowances will be used. State income tax will be withheld from the taxable portion of your distribution in accordance with your state's withholding requirements and your election.

However, if you elect not to have withholding apply to your payments, or if you do not have enough federal and/or state income tax withheld, you may be responsible for payment of estimated taxes. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Please refer to IRS Form W-4P (Withholding Certificate for Pension or Annuity Payments) at irs.gov for further information.

**What are my options to receive RMD payments?**

You can choose from 3 different options for satisfying your RMD each year. These options are:

1. You may request a withdrawal at any time, either in the full amount or a partial amount (if your plan allows) of your total RMD.

2. You may setup a scheduled payment on the recurring basis you prefer, such as, monthly, quarterly, or annually. In this case the withdrawal will be made automatically and distributed to you. The amount will be based upon the number of payments you choose to receive in a year, and the total amount of your RMD for that year, with each payment being a proportion of the total RMD.

3. If you take no action, and your retirement plan is using Fidelity's automatic RMD payment process, then you will have your total RMD amount withdrawn and paid to you in either November or December of each year.

**How will Fidelity send my RMD payment?**

You are able to have your RMD withdrawal sent to you through a direct payment to a bank account of your choosing (Electronic Funds Transfer, or EFT). Most find the convenience of a direct payment through Fidelity's electronic payment service their best option. Learn how to get started here. You may also choose to have a check mailed to you.

**What happens if I miss taking my RMD in a given year?**

If you forgot to take your required minimum distribution you may be able to receive a waiver and avoid any penalties by filing IRS Form 5329. Make sure to include an explanation for why you missed the deadline and note that you've since taken your distribution. For more information visit irs.gov.

**What are the penalties if I miss a deadline for an RMD?**

If you do not take a required minimum distribution (RMD) by the annual deadline, it could result in an IRS excise tax equal to 50% of the amount that should have been distributed that year. Income taxes, federal and state (if applicable), will be paid on the taxable amount distributed in the year of distribution.

For example, assume that you are 74 years old, and your RMD for the year is $15,000, but you only withdrew $7,000 by December 31. You will pay income tax on $7,000 that year and potentially be penalized $4,000 [50% IRS excise tax on $8,000 ($15,000 - $7,000)] on the remaining $8,000 that was not distributed. The following year, you will be required to take that year's RMD amount in addition to the $8,000 that wasn't distributed in the previous year.

Required minimum distribution rules do not apply to Roth IRA during the lifetime of the original owner, or to participants in workplace retirement plans who are less than 5% owners, until they retire. RMDs are also required from 403(b) and 457(b) plans, as well as from SEP IRAs, SARSEPs, and SIMPLE IRAs.

**Attend Live Webinars to Boost your Financial Know-How**

TIAA

You can register for the upcoming webinars at [TIAA.org/webinars] or by using the links below:

| WEBINAR DATE/TIME | THEME/SUBJECT | REGISTRATION LINK |
|---|---|---|
| Wednesday, January 12 at 9 a.m. (PT) | Quarterly Economic and Market Update with TIAA's Chief Investment Strategist | Register HERE |
| Thursday, January 13 at 1 p.m. (PT) | Los secretos del dinero: Cómo gestionar los ingresos y las deudas(Inside Money) | Register HERE |
| Tuesday, January 25 at 10 a.m. (PT) | Looking to Turn Your Retirement Savings into a Paycheck for Life? | Register HERE |
| Wednesday, January 26 at 11 a.m. (PT) | The Starting Line: Beginning to Save for Retirement | Register HERE |
| Wednesday, February 16 at 9 a.m. (PT) | Market Proof your Retirement | Register HERE |
| Thursday, February 17 at 9 a.m. (PT) | Understanding Health Savings Accounts | Register HERE |
| Thursday, February 17 at 2 p.m. (PT) | Strategies for Staying on Track | Register HERE |
| Wednesday, February 23 at 9 a.m. (PT) | At Your Fingertips: Manage your Money from Wherever You Are | Register HERE |
| Thursday, February 24 at 11 a.m. (PT) | Discover the Power of Financial Well-Being | Register HERE |
| Tuesday, March 8 at 9 a.m. (PT) | Opening Doors to the Future – Save in a 529 College Savings Plan | Register HERE |
| Tuesday, March 22 at 10 a.m. (PT) | Help Protect You, your Family, and your Money | Register HERE |
| Tuesday, March 29 at 12 p.m. (PT) | Financial Housekeeping for Now and Later | Register HERE |
| Wednesday, March 30 at 1 p.m. (PT) | Pagarse a uno mismo: Opciones de ingresos en la jubilación (Paying yourself Income options) | Register HERE |

# Need Help with your Retirement Goals?

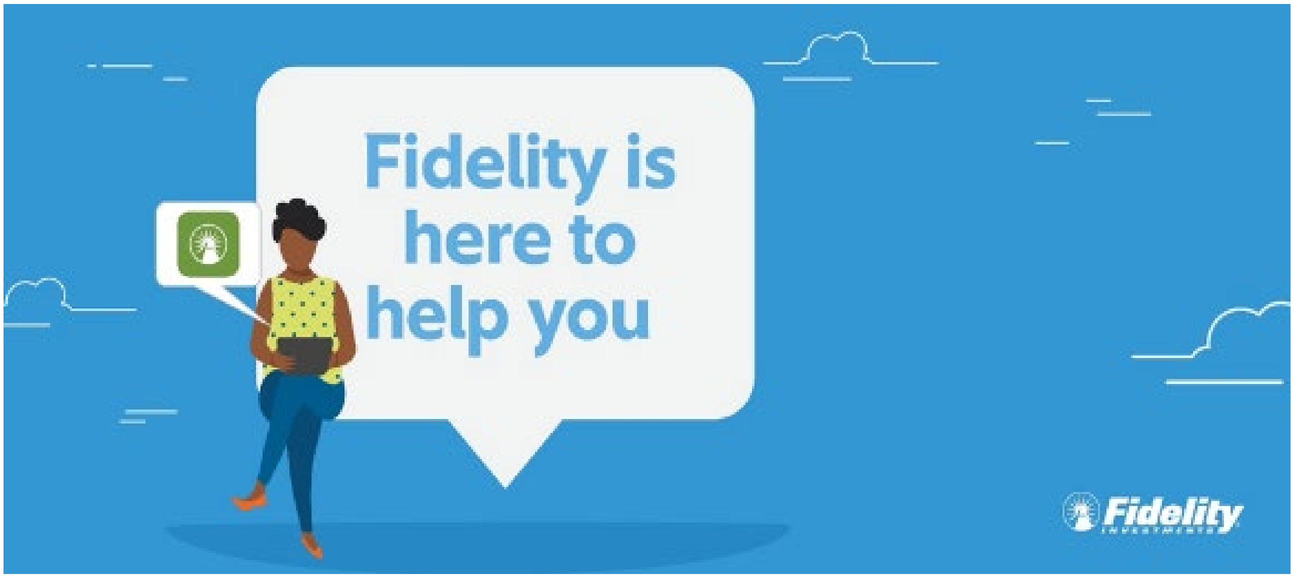
We know that there is a lot of uncertainty in the world today. That's why OPURP and TIAA are taking steps to ensure you get the help you need by offering counseling sessions either over the phone or through video counseling.

When you meet with a financial consultants you'll get answers to these questions:

- Am I saving enough?
- Should I change or rebalance my investment strategy?
- Am I on track to meet my retirement goals?

Financial advice through the methodology from Morningstar Investment Management, LLC, is available as part of your retirement plan at no additional cost. Take advantage and schedule a virtual counseling session today:

- Online at www.tiaa.org/schedulenow-oregonpublic
- Contact TIAA at 800-842-2252 weekdays, 5 a.m. to 7 p.m. (PT)




# Virtual and Phone-Based Consultations

At Fidelity, we're here to help you give attention to your own future; we are committed to helping you make sure you're on track toward a future that's unique to you. Meet with us one-on-one and you'll be able to tap into the education, resources, and support that only a trusted partner can provide. Plus, consultations are free to you as an employee benefit.

Justin Blatny and Ronald Elia will be offering virtual and phone-based one-on-one consultations to all Oregon Public University employees and they are ready to help you address many questions, including:

- ✓ Am I investing properly?
- ✓ Am I on track with my retirement savings?
- ✓ How do I bring my retirement savings together?
- ✓ How do I turn retirement savings into ongoing, steady income?

Click HERE to view a schedule of dates and times when Justin and Ronald will be available for consultations. Be sure to type "Oregon Public Universities" as your employer's name, not your specific campus name.

Justin and Ronald are licensed professionals, experienced in helping people plan for their financial futures. You can meet with them whenever you want and can ask them anything. Really!

## CONTACT US

**RETIREMENT PLANS MANAGEMENT**
**6226 UNIVERSITY OF OREGON**
**EUGENE, OR 97403-6226**

**PHONE: (541)346-5784**
**FAX: (541)346-5783**

**EMAIL: OPURP@UOREGON.EDU**
**WEB: WWW.OPURP.ORG**