Retirement savings opportunities for Washington Community and Technical Colleges employees

As a Washington Community and Technical Colleges employee, you have several options to save for retirement. Here is a summary of the different plans available to you.

Features	State Board Voluntary Investment Program (SBVIP)—a 403(b) Plan	Washington State Deferred Compensation Program (DCP)—a 457(b) Plan
Eligibility and participation requirements	Generally, all full- and part-time employees.	Generally, all full- and part-time employees.
Administered by	TIAA.	Washington State Department of Retirement Systems (DRS).
Employee salary reduction contributions	▪ Permitted. Generally limited to the lesser of $20,500 or 100% of compensation in 2022. ▪ Pretax and after-tax Roth contribution sources are available. ▪ Contributions must be aggregated with Roth contributions when applying limits.	▪ Permitted. Generally limited to the lesser of $20,500 or 100% of compensation in 2022.
Employee Roth (after-tax) contributions	▪ Permitted. Generally limited to the lesser of $20,500 or 100% of compensation in 2022. ▪ Contributions must be aggregated with salary reduction contributions when applying limits.	▪ Not permitted.
Age 50 catch-up amounts	Plan permits those age 50 and over to make an additional $6,500 pretax or Roth elective salary deferral in 2022	Plan permits those age 50 and over to make an additional $6,500 elective salary deferral in 2022.
Other catch-up amounts	▪ Those with 15 or more years of service at same qualifying employer may be able to make up to an additional $3,000 elective salary deferral and/or Roth contribution per year ($15,000 maximum lifetime). ▪ Prior-year contributions may limit this amount. ▪ Employee may make both age 50 and 15-year catch-up contributions in the same year. Ordering rule applies excess contributions to 15-year catch-up first.	▪ Those within three years prior to the plan's normal retirement age are eligible for an enhanced limit and may make additional contributions up to the lesser of twice the applicable annual limit or the annual limit plus any unused amounts from prior years. ▪ Employee may make the greater of the enhanced contribution limit or the age 50 catch-up (not both).
Vesting	Immediate.	Immediate.
Loans	Permitted.	Not permitted.
Permissible withdrawals	▪ Severance from service, age 59½, disability or death. ▪ Hardship as defined by the IRS.	▪ Severance from service, age 70½ or death. ▪ In-service distributions may also be available if your accumulation is $5,000 or less and certain other conditions are met. ▪ Unforeseeable emergency as defined by the IRS.
Early withdrawal penalty	Applies, generally 10% before age 59½.	Not applicable.
Minimum distribution requirements	Applicable to accumulation at age 70½ (age 75 for pre-1987 accumulations) or retirement, if later.	Applicable to entire accumulation at age 70½ or retirement, if later.
Taxability	Amounts are taxable when distributed. Roth distributions are tax free if first contribution was made at least 5 years earlier and the owner is at least 59½, disabled or deceased.	Amounts are taxable when distributed.
Contact information	Go to: **TIAA.org/sbctc** or call **800-842-2252**.	Go to: **drs.wa.gov/dcp** or call **800-547-6657**.

FAQs

May I contribute to both the SBVIP and DCP plans?
Yes, you may contribute to the SBVIP or DCP or both. The contribution limits for each plan are not aggregated, so you may contribute up to the maximum for each plan.

What are the differences between the plans?
As mentioned, you may contribute to either or both plans. The plan or plans you select should depend on your individual circumstances, including your eligibility for catch-up contributions, whether you want to make after-tax Roth contributions, the availability of loans, and potential early withdrawal tax penalties.

What are the withdrawal options for each plan?
Both the SBVIP and DCP offer a wide range of withdrawal choices, including lifetime annuities and lump-sum withdrawals. To get more information on the specific withdrawal options available under each plan, contact TIAA for the SBVIP and the Washington State Department of Retirement Systems for the DCP.

Are there differences in the investment options available under the SBVIP and DCP?
Yes, the investment choices under the two plans are different and that is a factor you'll want to consider when making your decision. You can see the investments by visiting each plan's website, where you'll find fund descriptions and the latest performance information. You'll also want to consider the convenience of having your retirement accumulations with a single provider. For example, if you participate in the State Board Retirement Plan (SBRP), you'll receive a consolidated statement showing both your SBRP and SBVIP accumulations. And because the investment funds are identical in the SBRP and SBVIP, you may find it easier to manage your accounts.

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COMMUNITY AND TECHNICAL COLLEGES
Washington State Board

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