

# Diocese of Charleston 403(b) Retirement Plan Features and Highlights

Read these highlights to learn more about your Plan. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

## About the 403(b) Plan

A 403(b) plan is a retirement savings plan designed for employees of public schools and tax-exempt organizations. A 403(b) plan allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn.

## Eligibility Requirements

### Employee Before Tax

To enroll in the Plan, employees must meet the following criteria:

- No age requirement
- No service requirement

Eligible employees may enroll immediately.

### Discretionary Match

To enroll in the Plan, employees must meet the following criteria:

- Age 18 or older
- Completed 12 month(s) of service

Eligible employees may enroll immediately.

Please contact your Plan Administrator for information regarding excluded employees.

## Enrollment

Once you are eligible to participate in the Plan, you will be automatically enrolled at a:

- Deferred Salary rate of 2%

Also, your contribution rate will automatically increase:

- Deferred Salary percentage of 1%

annually until you reach:

- Deferred Salary percentage of 5%

Unless you select a different deferral amount or choose to opt out of the Automatic Enrollment during the 30 day wait period prior to your participation date. If your Plan allows, you may change your deferral amount or opt out via the web or by calling the Voice Response System.

## Contribution Limits

### Deferred Salary

In 2025, the Deferred Salary amount is between 1% and 100% of your compensation or \$23,500.00, whichever is less.

Participants turning age 50 or older in 2025, may contribute an additional \$7,500.00.

Participants who are age 60-63 during the calendar year in 2025, may contribute the age 50 limit plus \$3,750.00.

Participants who have worked 15 years or more with the same organization may be able to contribute more than the normal limit. You may contact your retirement services representative for more information. These limits may be reduced depending on the terms of your Plan.

## Roth Salary Deferral

The Roth option will give you the flexibility to designate all or part of your 403(b) elective deferrals as Roth contributions.

Roth contributions are made with after-tax dollars, as opposed to the pre-tax dollars you contribute to a traditional 403(b). In other words, with the Roth option, you've already paid income taxes on money you contribute. With the traditional 403(b), your contribution is made on a pre-tax basis and you pay income taxes only when you take a distribution.

## Employer Contributions

### Discretionary Match

Your Plan may contribute a discretionary match. This contribution will only apply to a participant's deferrals that do not exceed a dollar amount or percentage of included compensation that is determined by the employer.

## Vesting Schedule

Vesting refers to the percentage of your account you are entitled to receive upon the occurrence of a distributable event. The value of your contributions to the Plan and any earnings they generate are always 100% vested (including rollovers from previous employers).

The employer discretionary match contribution is immediately 100% vested.

## Investment Options

A wide array of core investment options are available through your Plan. Each option is explained in further detail in your Plan's fund sheets. Once you have enrolled, investment option information is also available through the website at [empowermyretirement.com](http://empowermyretirement.com) or call the Voice Response System toll free at 1-866-467-7756. The website and the Voice Response System are available to you 24 hours a day, 7 days a week.

In addition to the core investment options, a Self-Directed Brokerage (SDB) account is available. The SDB account allows you to select from numerous investment options for additional fees. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

Prospectuses, disclosure documents and investment-related options/services information are only available in English. Please have them translated prior to investing.

## Transfers and Allocation Changes

You can move all or a portion of your existing balances between investment options (subject to Plan rules) and change how your payroll contributions are invested.

## Rollovers<sup>1</sup>

Only Plan Administrator approved balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the Plan. Some plans may only allow rollovers from other 403(b) plans.

<sup>1</sup>Governmental 457 funds rolled into another type of plan or account may become subject to the 10% early withdrawal penalty if taken before age 59 1/2.

## Withdrawals

Qualifying distribution events are as follows:

- Retirement
- Permanent disability
- Financial hardship (as defined by the Internal Revenue Code and your Plan's provisions)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Attainment of age 59 1/2
- Death (your beneficiary receives your benefits)

Ordinary income tax will apply to each distribution. Distributions received prior to age 59 1/2 may also be assessed a 10% early withdrawal federal tax penalty. Refer to your Summary Plan Description for more information about distributions.

Any transaction related fees will be disclosed during the withdrawal process.

## Plan Fees

### Recordkeeping or Administrative Fees

There is an asset based fee of 0.025% that is calculated and deducted from your account.

A charge of \$350.00, per occurrence will be deducted for Qualified Domestic Relations Order Processing Services. This includes QDRO reviews, calculations, and distributions.

### Distribution Fees

The benefit disbursement fee is \$0.00.

### Investment Option Fees

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading of securities within the investment option and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges.

There are additional quarterly fees and/or transaction fees to participate in the Self-Directed Brokerage account.

## How do I get more information?

Visit the website at [empowermyretirement.com](http://empowermyretirement.com) or call the Voice Response System, toll free at 1-866-467-7756 for more information. The website provides information regarding your Plan, as well as

financial education information, financial calculators and other tools to help you manage your account.

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