



# **\$600 Deferral Match for University System of Maryland Employees Starting July 1, 2023**

## **1. What is the Match?**

As of July 1, 2023, the State of Maryland will match eligible employee deferrals/contributions to any eligible supplemental retirement plan, dollar-for-dollar, up to \$600 each fiscal year. This means that for every dollar you defer/contribute to any eligible supplemental retirement plan, the State will contribute a dollar on your behalf until the maximum of \$600, per eligible employee, is reached.

## **2. Who is considered an eligible employee for the Match?**

- a. Full-time and Part-time employees who are members of the Employees' Pension System including:
  - Employees' Pension System Alternate Contributory Pension Selection (for members enrolled before July 1, 2011).
  - Employees' Pension System Reformed Contributory Pension Benefit (for members enrolled on or after July 1, 2011).
  - Employees' Pension System Non-Contributory Pension Selection (for active members of employers who did not elect to participate in the Contributory, Alternate, or Reformed plans).
  - Employees' Pension System Contributory Pension Selection (for active members of employers who did not elect to participate in the Alternate or Reformed plans).

Employees who are members of the Employees' Retirement System (prior to January 1, 1980), subject to Selection C (Contribution Formula)

Exceptions:

- Participating governmental unit employees or a former participating governmental unit that has withdrawn.
- Members of the Employees' Pension System who transferred from the Employees' Retirement System after April 1, 1998.

- b. Members of the following plans are **not** eligible:

- i. Employees in the Teachers' Retirement/Pension Systems are not eligible.
- ii. Employees in the Law Enforcement Officers' Pension System are not eligible.
- iii. Employees in the ORP are not eligible.
- iv. Employees in the Employees' Retirement System are not eligible.

In Addition, contractual employees and those not enrolled in one of the eligible employer sponsored retirement plans are not eligible.

**3. What is considered an eligible supplemental retirement plan for the Match?**

Deferrals/contributions made to any of the following supplemental retirement plans are eligible for the \$600 match:

- TIAA 457(b), 403(b), or 403(b) ROTH
- Fidelity 457(b), 403(b), or 403(b) ROTH
- MSRP Nationwide 457(b), 457(b) ROTH, 401(k), or 403(b)

**4. Do I need to contribute to a State supplemental retirement plan to be eligible for the Match?**

Yes, to receive the Match, an eligible employee must be making deferrals/contributions to an eligible supplemental retirement plan through payroll deduction.

**5. Can I open a new supplemental retirement account to receive the Match?**

Yes, eligible employees can open a new account with any eligible plan to receive the Match.

**6. Where will the State contribute my Match dollars?**

A 401(a) plan account will automatically be funded when deferrals/contributions are made to an eligible supplemental retirement plan.

**7. What is a 401(a) Plan?**

This is a separate defined contribution plan established for the employee deferral/contribution match and is funded with pre-tax employer contributions only.

**8. How will the match be allocated if I contribute with multiple vendors?**

If an employee participates in multiple SRA plans, the 401(a) contribution will be matched dollar-for-dollar for each plan until they reach a total of \$600.

**9. Would the match amount be displayed on my pay statement?**

Yes, the match amount will be presented as a line item on your pay statement. It will be listed on the left side under employer contributions. Additionally, you can access the match amount by logging into your account with the vendor you are enrolled with.

**10. When will I see the Match contribution post to my 401(a) plan?**

For USM employees, the matching contribution will occur beginning with the pay period ending 7/1/2023 with pay date 7/7/2023. For those on the RG pay schedule the match will be on the 7/5/2023 pay date.

**11. When do I have access to the funds in my 401(a) plan?**

Once the State's contributions are made to your 401(a) Plan account, the funds are available once you meet the 401(a) plan distribution requirements.

**12. Can I borrow the money from my 401(a) plan?**

No borrowing provisions, no in-service distributions, and no financial hardship withdrawals are authorized for your 401(a) plan account.

**13. Can I contribute to a Roth Account and receive the 401(a) Pre- tax Match?**

Yes, Roth contributions will be allocated to your designated Roth accounts, as usual. The Match for Roth

contributions will be allocated to a 401(a) pre- tax account.

**14. How will 401(a) Match funds be invested?**

If a participating employee already has a 401(a) plan account, the contribution to the 401(a) plan account will be allocated as already designated by the participant. If a new 401(a) plan account is established and there is no designation, the 401(a) money will be allocated to the 401(a) plan default option.

**15. Does an annual leave rollover into a 457(b), 401(k), or 403(b) qualify for the Match, dollar-for- dollar, up to \$600?**

Yes, if an Annual Leave payout is in the employee's last check from the State, and if contribution of the allowable amount into a Plan is done by payroll deduction.

**16. How do I start contributing to the SRA?**

Contact your benefits professionals at your institution for more information on enrolling in the SRA.