

TAX-DEFERRED ANNUITY

The Tax-Deferred Annuity (TDA) Plan allows you to save for retirement through the convenience of easy payroll deduction and reduce your taxable income – now or in retirement – with two ways to contribute. You decide how much to save, up to the plan limits, and how you want to invest your contributions from among the available options. You can open a TDA as soon as you start employment. New faculty and nonunion staff who make no election are automatically enrolled in a TDA after 60 days.

ELIGIBILITY

Generally, if you are a University faculty or staff member, you are eligible to participate in the TDA Plan. New employees receive an enrollment package with details upon hire; any faculty or staff member may request enrollment information by contacting the Harvard University Retirement Center (HURC) at 800-527-1398.

CONTRIBUTING TO THE PLAN – TWO OPTIONS

Harvard offers you two ways to contribute to a TDA:

- The Traditional option - your contributions are taken from your pay before you pay taxes, lowering your taxable income today and saving you money. You pay taxes when you withdraw funds
- The Roth option* - your contributions are taken after taxes, your money grows tax-free and your withdrawals in retirement are tax-free

You may choose one contribution option or divide your contributions between the Traditional and the Roth options - you can view a [comparison of these options](#) for more information. You decide how much to contribute, up to plan limits. You may elect to contribute either a percentage of your salary or a specific dollar amount. According to IRS regulations, in 2022, you may contribute up to \$20,500, or \$27,000 if you're age 50 or older (this is a combination of Traditional and Roth contributions).

You may enroll in, change or cancel your TDA contribution at any time by going to the [HURC online](#) or calling the HURC at 1-800-527-1398. (If you are automatically enrolled, as described below, you do not need to contact HURC to set up your account.)

AUTOMATIC ENROLLMENT AND AUTOMATIC ESCALATION

New faculty and administrative/professional staff are automatically enrolled* in the TDA Plan in the Traditional contribution option after 60 days of employment. The initial contribution rate with auto-enrollment is 3% of salary deducted from pay before taxes, with a 1 point increase each January, up to 10% for those who continue in the program (not to exceed federal contribution limits). If you make no investment election, your contributions are directed to a low-cost Vanguard target-date fund based on your age.

At any point, you may opt out or elect a different contribution amount or elect to direct some or all of your contributions to the Roth option, as desired; although these actions will end your participation in the automatic escalation feature.

*Employees at HB Publishing, Dumbarton Oaks and the Center for Hellenic Studies are not eligible to make Roth contributions or for the automatic enrollment in TDA.

DIRECTING YOUR INVESTMENTS

You decide how this contribution should be invested from among a carefully chosen lineup of mutual funds from Vanguard and Schwab and annuities from TIAA. If you make no other election, this contribution will automatically be invested in a Vanguard target-date fund closest to the year you turn 65. TIAA is the plan's recordkeeper.

Withdrawing while you are still employed

The TDA program is designed to help you save for your retirement, but you may withdraw some of your savings if you reach age 59½ or you experience financial hardship, as defined by the IRS. Please see the [Retirement Program SPD](#) for details.

Leaving Harvard

If your employment with Harvard ends, you may leave your account intact, request a distribution from your account, or roll your contributions into another investment account. Please contact the HURC for details.

ROLLOVER CONTRIBUTIONS TO YOUR TDA

If you are currently employed by the University, you may make rollover contributions from Individual Retirement Accounts (IRAs) and certain other retirement plans to your TDA Plan account. Contact the HURC for more information.

BENEFICIARIES

You should designate a beneficiary to receive your TDA savings in the case of your death. You can designate or update your beneficiary(s) online at TIAA.org/Harvard or by calling 800-527-1398. You should review your beneficiary information periodically, to ensure that it reflects any family or personal changes.

