



## Retirement Plan Frequently Asked Questions

### 1. How do I enroll in the retirement plan?

To enroll in the 403(b) plan (employee plan), either register at [www.empower.com/nebraskamed](http://www.empower.com/nebraskamed) or call 1.833.NM.RETIRE (1.833.667.3847) and follow the prompts to register your account.

### 2. Are part-time and casual colleagues eligible to participate in the retirement plan?

Yes, all colleagues are eligible to contribute to the 403(b) and are eligible to receive 401(a) employer base and matching contributions if certain criteria are met.

### 3. What is the difference between the 403(b) and the 401(a) plans?

Nebraska Medicine offers a 403(b) plan for employee contributions. Your contributions will go into the 403(b) plan. Nebraska Medicine also provides a 401(a) plan for employer contributions. Your employer match and base contributions will go into the 401(a) plan.

### 4. Am I required to make 403(b) contributions to the retirement plan?

No, you are not required to make 403(b) contributions to the retirement plan and Nebraska Medicine does not automatically enroll colleagues in the 403(b) plan. However, if you contribute to the 403(b) plan, you are eligible to receive 401(a) employer matching funds, which will assist you in meeting your financial retirement goals.

### 5. How do I change my 403(b) retirement contribution? Can I change it at any time?

You can change your retirement contributions at any time. To change your contributions, log on to your account at [www.empower.com/nebraskamed](http://www.empower.com/nebraskamed). Changes will be effective on the next paycheck based on the schedule located on MyHR under MySavings.

### 6. Do I need to enroll in the 401(a) (employer) plan?

You are automatically enrolled in the 401(a) plan. However, you will want to register your account and choose your investment allocation and account beneficiary at [www.empower.com/nebraskamed](http://www.empower.com/nebraskamed).

### 7. What is the difference between the 401(a) employer base contribution and the employer match contribution?

In addition to the match contribution based on your 403(b) retirement contributions and years of service, Nebraska Medicine also provides a base contribution. The base contribution is 3 percent of your annual gross eligible compensation. You do not need to contribute to the 403(b) plan in order to receive the base contribution.

### 8. Do I need to make a contribution in order to be eligible for the 401(a) employer base contribution?

You do not need to contribute to the 403(b) plan in order to receive the base contribution. Nebraska Medicine will contribute 3 percent of your annual gross eligible compensation provided you work 1,000 hours or more in the plan year (Jan. 1 – Dec. 31) and are employed on the last day of the plan year (Dec. 31). Worked hours and compensation are based on amounts paid through the last paycheck of the plan year.

### 9. What is the 401(a) employer match contribution?

Nebraska Medicine will match your 403(b) retirement contributions at \$0.75 on the dollar based on years of service as of Dec. 31 each year.

Years of Service	Contributions Eligible for Matching	Resulting Employer Match
0 but less than 5	3%	2.25%
5 but less than 10	5%	3.75%
10 but less than 15	7%	5.25%
15 but less than 20	9%	6.75%
20 but less than 25	11%	8.25%
25+ years	13%	9.75%



**10. How is the 401(a) employer match calculated?**

The 401(a) employer match will be calculated annually. This means that your annual contribution percentage is the dollar amount of your contributions divided by your gross eligible compensation. This calculation method gives you flexibility in timing your contributions to ensure that you are eligible for the maximum employer match.

Example: If you have 7 years of service on Dec. 31, as long as your annual contribution amount is 5 percent or higher, you are eligible for the maximum employer match even if you choose to contribute for only part of the year.

**11. What are the current IRS contribution limits? When am I eligible for catch-up contributions?**

The IRS maximum contribution limit is currently \$23,000 with an option for an additional \$7,500 in catch-up contributions if you are age 50 or older.

**12. Do I receive the 401(a) employer match on catch-up contributions?**

No, catch-up contributions are not eligible for 401(a) employer match.

**13. What are the eligibility requirements in order to receive the 401(a) employer contributions?**

To receive the matching and/or base employer contribution, you must work 1,000 hours or more in the plan year (Jan. 1 – Dec. 31) and be employed on the last day of the plan year (Dec. 31). Worked hours and compensation are based on amounts paid through the last paycheck of the plan year.

**14. When is the 401(a) employer contribution typically made?**

Both the employer match and base contribution are made annually, usually during the first quarter of the year. For example, the 2024 employer base and match contribution may be made in the first quarter of 2025.

**15. If I do not work 1,000 hours in the plan year (Jan. 1 – Dec. 31), am I eligible for a prorated employer contribution?**

No, you must work 1,000 hours in the plan year and be employed on the last day of the plan year (Dec. 31) to receive the 401(a) employer contributions. The only exception is if you meet the Plan's definition of retirement; this requirement is waived if you retire from Nebraska Medicine during the plan year. Worked hours and compensation are based on amounts paid through the last paycheck of the plan year.

**16. What if I leave Nebraska Medicine before the end of the calendar year? Am I still eligible to receive a retirement contribution? What if I am leaving due to retirement?**

No, you must be employed on the last day of the plan year (Dec. 31) to receive the 401(a) employer contributions. The only exception is if you meet the Plan's definition of retirement; this requirement is waived if you retire from Nebraska Medicine during the plan year.

**17. What is the definition of retirement eligible?**

Early retirement is defined as age 55 or greater and six or more years of vested service. Normal retirement is age 65.

**18. If I am a new hire, when do I need to start in order to be eligible for a 401(a) employer contribution in the year in which I was hired?**

You are eligible to receive the 401(a) contribution immediately upon hire. You will receive the contribution for the year if you meet eligibility requirements, meaning you worked 1,000 hours or more during the plan year you were hired and are employed on the last day of the year (Dec. 31). Worked hours and compensation are based on amounts paid through the last paycheck of the plan year.

**19. How much should I contribute to my retirement?**

Experts suggest you'll need at least 80 percent of your pre-retirement income in retirement to maintain your current lifestyle. To better understand your retirement income needs, log in to your account at [www.empower.com/nebraskamed](http://www.empower.com/nebraskamed) and take advantage of the retirement income calculator, which helps you calculate how much income you'll need in retirement and how much you should save today. You can also see how the payments you receive work with Social Security and/or any other retirement savings you may have to help you reach your retirement goals.



**20. How does making a retirement contribution impact my take-home pay?**

Contributions to your 403(b) plan account may be automatically deducted from your pre-tax pay. To determine how a variety of contribution rates affect your take-home pay, log in to your account at [www.empower.com/nebraskamed](http://www.empower.com/nebraskamed) and click on “contributions.” Simply enter contribution amounts to better understand the estimated impact on your take-home pay.

**21. What is the difference between a pre-tax contribution and a Roth contribution?**

The main difference between the pre-tax and Roth contributions is whether you pay taxes at the time you withdraw the money (pre-tax) or when you contribute it (Roth).

**22. What does it mean to be vested in my retirement account?**

To be vested in retirement funds means that you own these funds and can take them with you if you leave the organization. You are always 100% vested in 403(b) employee contributions. The 401(a) employer contributions are subject to a six-year graded vested schedule:

If your vesting service is:	You will be vested in this percentage of your 401(a) employer base and matching contributions
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years or more	100%

**23. How does vesting work if I leave Nebraska Medicine?**

You will earn a year of vesting if you work 1,000 hours or more in the plan year (Jan. 1 – Dec. 31). Worked hours are determined based on amounts paid through last paycheck of the plan year.

**24. How do I change my investment lineup?**

To change your investment lineup, simply log in to [www.empower.com/nebraskamed](http://www.empower.com/nebraskamed), choose “Investments” and select your preferred investments and allocation. You may also call 833.NM.RETIRE (1.833.667.3847) to change your investment elections.

**25. How do I know what investment options to choose?**

Choosing your investment options is a personal decision which you may base upon your age, retirement horizon and risk tolerance. The plan offers a broad range of investment options. If you are looking for ease in choosing a well-diversified portfolio, target date funds are an option.

**26. What is a target date fund?**

A target date fund is a professionally managed fund that is designed to provide a diversified investment portfolio. As the target date approaches, the fund automatically becomes more conservative by lessening equity exposure and increasing exposure in fixed income investment types.

**27. How do I roll over retirement funds from a previous employer?**

Call Empower at 833.NM.RETIRE (1.833.667.3847) for assistance in completing the paperwork required to roll qualified assets into your account. You may also contact your on-site retirement counselor for help in completing a rollover.



**28. When am I able to take money out of my retirement account?**

You can take your money out of your plan for any distributable event defined by the IRS (termination, retirement, disability, or death). Under certain circumstances, you may also qualify for a hardship distribution while you are an active employee.

**29. When can I take a loan against my retirement account? Is there a minimum or maximum loan account? How do I pay back the loan? What happens if I default on the loan?**

You have the opportunity to take a loan from your 403(b) account. Below are the loan details:

Your plan allows you to take	One loan at one time
Application fee	\$95 per loan
Processing fee	\$50 annually, assessed quarterly
Method of repayment	Payroll deduction
Tax consequences	If loan is not paid in full, tax consequences will apply.
Prepayment available	Yes

Type of loan	General Purpose
Interest rate	Prime rate plus 2%*
Minimum loan	\$1,000
Maximum loan	50% of your vested account balance(s), up to \$50,000 in a 12 month period*
Repayment period	1 to 5 years

Type of loan	Primary residence
Interest rate	Prime rate plus 2%*
Minimum loan	\$1,000
Maximum loan	50% of your vested account balance(s), up to \$50,000 in a 12-month period*
Repayment period	5 to 15 years

*\*Interest is paid back to participant's account. Additional information about loan calculations and loan interest rate details can be found in your plan's loan policy.*

If you default on a loan, you are not able to request a new loan until your loan is paid back. Also, the outstanding loan balance is subject to taxes.

**30. If I have an emergency, can I take a hardship withdrawal from my retirement account? How does this work?**

While employed at Nebraska Medicine, you may take a withdrawal request due to a financial hardship on 403(b) funds, within plan restrictions\*. There is a \$1,000 minimum withdrawal amount.

One of the following requirements must apply to qualify for hardship withdrawal:

- Purchase or construction of a principal residence
- Payment for higher education expenses
- Major medical expenses
- Preventing eviction from or foreclosure on a principal residence
- Payment of funeral or burial expenses for your spouse or dependents
- Repair of damage to participant's primary residence that qualifies for casualty deduction

*\*Withdrawals: The taxable portion of a withdrawal is taxed as ordinary income and will be subject to an additional early distribution penalty tax if you receive the withdrawal before age 59½. The total amount of the withdrawal may not be more than the amount required to meet your immediate disability option. If you become disabled, you may be eligible to receive all of your vested account balance immediately. The amount you receive is subject to all applicable income taxes, but no penalties.*



**31. What is an in-service withdrawal? When can I take an in-service withdrawal?**

In-service withdrawals are withdrawals of retirement funds while still employed by Nebraska Medicine. In-service withdrawals are allowed anytime on funds rolled into the Nebraska Medicine 403(b) or 401(a) plan as well as money purchase pension plan funds transferred from the former UNMC Physicians retirement plan if you are age 62 or older.

**32. Do I pay fees on my retirement account? How do I know the amount of these fees?**

Below are the fees and expenses for general plan administrative services and individual expenses that may apply to your account:

Fee Type	Fee Amount	Frequency
Express Mail Fee	\$25	Per applicable transaction
Loan Processing Fee	\$95	Per applicable transaction
Loan Maintenance Charge	\$50	Annual amount deducted quarterly
Distribution Transaction Processing	\$50	Per applicable transaction
Installment Payout Charge	\$5	Per applicable transaction
Qualified Domestic Relations Order (QDRO) Service Charge	\$750	Per applicable transaction
Asset-based Participant Fee	0.05%	Annual amount, deducted quarterly