

# PLAN HIGHLIGHTS

## THE 403(b) PLAN



### STATE OF CONNECTICUT DEFINED CONTRIBUTION PLANS

<b>Eligibility</b>	<p>Employees of the below State educational institutions:</p> <ul style="list-style-type: none"><li>• University of Connecticut, including the University of Connecticut Health Center</li><li>• State universities, including the Board of Regents</li><li>• Community and technical colleges, including the boards of trustees</li><li>• Department of Higher Education</li><li>• Department of Education, including the vocational/technical high schools</li><li>• Board of Academic Awards</li></ul> <p>Rehired retirees of these institutions are also eligible.</p>
<b>Administration fee</b>	0.0285% annually (for example, a participant with a \$10,000 account balance would pay an annual fee of \$2.85)
<b>Withdrawal charges</b>	None
<b>Contributions</b>	<p>Maximum amount — \$23,500 for 2025*</p> <ul style="list-style-type: none"><li>• Pretax contributions: You pay no current federal or State income taxes on the money you contribute — or any of its earnings — until you begin making withdrawals in retirement (when you may be in a lower tax bracket).</li><li>• After-tax (Roth) contributions: You make contributions on an after-tax basis, and you can take tax-free distributions if you have met the five-year holding period requirement and the distribution is due to:<ul style="list-style-type: none"><li>• Attainment of age 59½.</li><li>• Disability (as defined by the Internal Revenue Code).</li><li>• Death.</li></ul></li><li>• Your Roth 403(b) contributions do not reduce your current tax liability. You pay taxes up front — at your current tax rate — and potentially save taxes on your investment gains when you retire.</li><li>• As a participant in the 403(b) Plan, you have access to Auto Increase, a retirement planning feature that can help you save more for retirement. It is available at no additional cost, and you can opt out at any time. Once you sign up for this feature, your contribution amount will automatically increase annually, by the amount you select and at a date of your choosing. It's never been easier to systematically increase the amount you set aside for retirement.</li></ul>
<b>Catch-up contributions</b>	<ul style="list-style-type: none"><li>• Age 50+ Catch-up: An additional \$7,500 for 2025*</li><li>• Super Catch-up: Starting 1/1/25, in the years you turn age 60, 61, 62, or 63, you can save an extra \$11,250 in catch-up contributions. Note that the standard limit resumes the year you turn age 64.</li></ul>
<b>Fund transfers</b>	Currently, there are no restrictions on transfers among investment options (subject to any excessive trading policies in place).
<b>Plan-to-plan transfers</b>	<ul style="list-style-type: none"><li>• The plan accepts transfers of assets from a prior State of CT 403(b) Plan investment provider.</li><li>• Transferred assets can only be withdrawn upon a distributable event.</li></ul>
<b>Rollovers</b>	<ul style="list-style-type: none"><li>• The plan accepts rollovers from pretax 401, 403(b), and 457(b) Plans, traditional IRAs, and Roth accounts under 401, 403(b), or 457(b) Plans.</li><li>• The plan does not accept rollovers of after-tax dollars or rollovers from Roth IRAs. Rollover assets may be withdrawn without a distributable event, but they may be subject to a 10% premature distribution penalty, unless an Internal Revenue Code exception applies.</li><li>• Consider all your options and their features and fees before moving money between accounts.</li></ul>
<b>Loans</b>	Available to all active employees with a 403(b) account with Empower. Loans may impact your withdrawal value and limit participation in future growth potential. Loan repayments are made via ACH account deduction. Please note: Loans are not permitted from any 403(b) Plan account maintained with a prior State of Connecticut 403(b) Plan investment provider.

\*If you are making both pretax and after-tax (Roth) contributions to the 403(b) Plan, your total contributions cannot exceed \$23,500 (or \$31,000 if you have elected the Age 50+ Catch-up option) in 2025.

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<b>Distributable events</b>	<ul style="list-style-type: none"><li>• Attainment of age 59½</li><li>• Separation from service</li><li>• Retirement</li><li>• Disability as defined by the Internal Revenue Code</li><li>• Death</li><li>• Financial hardship</li></ul>
<b>10% premature distribution penalty tax on distributions prior to age 59½</b>	The 10% premature distribution penalty tax applies to distributions taken prior to age 59½, unless an Internal Revenue Code exception applies.
<b>Required minimum distributions</b>	You are required to begin distributions by April 1 following the calendar year in which you reach age 73 or retire, whichever occurs later. The IRS generally requires you to start taking required minimum distributions (RMDs) at age 73.
<b>Financial hardship</b>	<p>Qualifying reasons for a financial hardship withdrawal:</p> <ul style="list-style-type: none"><li>• Medical expenses for you, your spouse, or dependents</li><li>• Purchase or repair of your principal residence</li><li>• Payment of tuition or related educational expenses</li><li>• Prevention of eviction or foreclosure on your principal residence</li><li>• Burial or funeral expenses for your deceased parents, spouse, or dependents</li><li>• Repair of damage resulting from a casualty loss to your principal residence</li></ul> <p><i>Hardship withdrawals are only permitted to be taken from your 403(b) account at Empower.</i></p>
<b>Payment options</b>	<ul style="list-style-type: none"><li>• Partial or lump-sum withdrawal</li><li>• Systematic withdrawal option — Specified period or specified amount</li><li>• Estate Conservation Option (IRS-required minimum distribution)</li><li>• Rollover to another eligible retirement plan or IRA</li><li>• Combination of payout and annuity options</li></ul>
<b>Annuity options</b>	<ul style="list-style-type: none"><li>• Period certain for 5-50 years</li><li>• Period certain for 5-50 years with withdrawal rights</li><li>• Single life</li><li>• Single life with 5-50 years guaranteed</li><li>• Single life with 5-50 years guaranteed with withdrawal rights</li><li>• Single life with cash refund</li><li>• Joint and full survivor</li><li>• Joint and full survivor with 5-50 years guaranteed</li><li>• Joint and full survivor with 5-50 years guaranteed with withdrawal rights</li><li>• Joint and <math>\frac{2}{3}</math> or <math>\frac{1}{2}</math> survivor (payment decreases on death of either)</li><li>• Joint and <math>\frac{1}{2}</math> contingent (payment decreases on death of primary annuitant)</li></ul> <p>Required minimum distribution regulations may affect annuity issue ages.</p>

For information about your plan, call **844-505-SAVE (844-505-7283)** or visit **CTDCP.com**



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Amounts withdrawn are subject to income taxes. Withdrawals before age 59½ may also be subject to a 10% federal income tax penalty and plan restrictions. Neither Empower nor any of its affiliates provide tax or legal advice for which you should consult with your qualified professional.

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