Retirement savings opportunities for Washington Community and Technical Colleges employees

As a Washington Community and Technical Colleges employee, you have several options to save for retirement. Here is a summary of the different plans available to you.

Features	State Board Voluntary Investment Program (SBVIP)—a 403(b) plan	Washington State Deferred Compensation Program (DCP)—a 457 (b) plan
Eligibility and participation requirements	Generally, all full- and part-time employees.	Generally, all full- and part-time employees.
Administered by	• TIAA	• Washington State Department of Retirement Systems (DRS)
Employee salary reduction contributions	• Permitted. Generally limited to the lesser of $23,500 or 100% of compensation in 2025. • Pretax and after-tax Roth contribution sources are available. • Contributions must be aggregated with Roth contributions when applying limits.	• Permitted. Generally limited to the lesser of $23,500 or 100% of compensation in 2025. • Pretax and after-tax Roth contribution sources are available. • Contributions must be aggregated with Roth contributions when applying limits.
Employee Roth (after-tax) contributions	• Permitted. Generally limited to the lesser of $23,500 or 100% of compensation in 2025. • Contributions must be aggregated with salary reduction contributions when applying limits.	• Permitted. Generally limited to the lesser of $23,500 or 100% of compensation in 2025. • Contributions must be aggregated with pretax contributions when applying limits.
Age 50 catch-up amounts	• Plan permits those age 50 and over to make an additional $7,500 elective salary deferral in 2025.	• Plan permits those age 50 and over to make an additional $7,500 elective salary deferral in 2025.
Other catch-up amounts	• Those with 15 or more years of service at same qualifying employer may be able to make up to an additional $3,000 elective salary deferral and/or Roth contribution per year ($15,000 max lifetime). • Prior-year contributions may limit this amount. • Employee may make both age 50 and 15-year catch-up contributions in the same year. Ordering rule applies excess contributions to 15-year catch-up first.	• Those within three years prior to the individual's normal retirement age are eligible for a special catch-up limit and may make additional contributions up to twice the applicable annual limit based on any unused amounts from prior years. • Employee may make the greater of the three-year contribution limit or the age 50 catch-up (not both).
Vesting	Immediate	Immediate
Loans	Permitted	Not permitted
Permissible withdrawals	• Severance from service, age 59½, disability or death. • Hardship.	• Separation from service, age 59½ or death. • In-service distributions may also be available if your accumulation is $5,000 or less and certain other conditions are met, or from rolled-in funds. • Unforeseeable emergency as defined by the IRS.
Early withdrawal penalty	Applies, generally 10% before age 59½.	Not applicable
Minimum distribution requirements	Applicable to accumulation at age 72 (age 75 for pre-1987 accumulations) or retirement, if later.	Applicable to entire accumulation at age 73 or retirement, if later.
Taxability	Amounts are taxable when distributed. Roth distributions are tax free if first contribution was made at least five years earlier and the owner is at least 59½, disabled or deceased.	Amounts are taxable when distributed. Roth distributions are tax free if first Roth contribution was made at least five years earlier and the owner is at least 59½, disabled or deceased.
Contact information	Go to **tiaa.org/sbctc** or call **800-842-2252**.	Go to **drs.wa.gov/dcp** or call **800-547-6657**.

FAQs

May I contribute to both the SBVIP and DCP plans?

Yes, you may contribute to the SBVIP or DCP or both. The contribution limits for each plan are not aggregated so you may contribute up to the maximum for each plan.

What are the differences between the plans?

As mentioned, you may contribute to either or both plans. The plan or plans you select should depend on your individual circumstances including your eligibility for catch-up contributions, the availability of loans, potential early withdrawal tax penalties, and the fees charged by each plan.

What are the withdrawal options for each plan?

Both the SBVIP and DCP plans offer a wide range of withdrawal choices including lifetime annuities and lump-sum withdrawals. To get more information on the specific withdrawal options available under each plan, contact TIAA for the SBVIP and the Washington State Department of Retirement Systems for the DCP.

Are there differences in the investment options available under the SBVIP and WA DCP?

Yes, the investment choices under the two plans are different and that is a factor you'll want to consider when making your decision. You can see the investments by visiting each plan's website where you'll find fund descriptions, the latest performance and fee information.

You'll also want to consider the convenience of having your retirement accumulations with a single provider. For example, if you participate in the State Board Retirement Plan (SBRP), you'll receive a consolidated statement showing both your SBRP and SBVIP accumulations. And because the investment funds are identical in the SBRP and SBVIP, you may find it easier to manage your accounts. If you're in PERS or TRS and participate in DCP, you can access all of your plans with single sign-on. If you're in Plan 3 and DCP, you will receive a consolidated statement showing both your DCP and Plan 3 investments. If you only participate in DCP, you can access your investments directly from the recordkeeper website. Both can be found at **drs.wa.gov/login**.

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