



WASHINGTON STATE UNIVERSITY
Human Resource Services

Voluntary Retirement Plans at WSU 2024

Voluntary Investment Plans

Voluntary Investment Program (VIP)

- A 403b Plan
- Administered by TIAA

Deferred Compensation Plan (DCP)

- A 457b Plan
- Administered by DRS/Voya

Since these are two separate IRS plans, you are able to contribute to both plans:

\$23,000 Contribution Limit

Plus \$7500 for those over 50, referred to as the catch-up provision

Therefore, for those under 50, they could contribute up to \$46,000, and those over 50 up to \$61,000 if you participated in both plans.

For those contributing 10% to the WSURP plan, the voluntary 2.5% portion counts towards the 403b contribution limits. Other IRS regulations may limit how much you can contribute to the VIP 403b plan.



Other Considerations

Employees are able to make 403b or 401a contributions on the first \$345,000 worth of annual eligible earnings. (401(a)(17))

Total combined Employee and Employer 403b Contributions cannot exceed \$69,000. (415(c)(1)(A))

If/When the above limits are met, employees over 50 are still able to contribute the \$7500 catch-up contribution to the VIP, as well as making the \$23,000/\$30,500 voluntary contribution to the DCP account.

IRS limits usually change on an annual basis.



Making Contribution Elections

The Voluntary Investment Plan (VIP):

Login to your account at tiaa.org/wsuv.

Under *Actions*, click on *Manage Contributions*

Enter a dollar contribution, with the minimum amount being \$15, or elect “maximum”

Maximum election should roll-over to the new calendar year

Identify if the contribution will be pre-tax, post-tax, or a combination thereof



Making Contribution Elections – cont'd

The Deferred Compensation Plan (DCP):

Login or register with the [DCP portal](#)

Click on *Manage Contributions* and select *Update My Contribution*

Enter a dollar or % contribution, with a minimum of either \$30 or 1% per month

If the amount elected exceeds the set pay cycle maximum, you will need to contact DCP directly to request the “maximum”

Maximum requests may need to be renewed each year

Identify if the contribution will be pre-tax, post-tax, or a combination thereof

If enrolling for the first time, DCP will require you complete a hard copy form, and then future changes can be made through the portal.



Pre-Tax or After-Tax Contributions

Pre-tax Contributions:

Both plans offer pre-tax contribution options

Taxable income will be reduced at the time of contributions, and the funds and their earnings are taxable at the time they are accessed

After-Tax Contributions, referred to as Roth Contributions:

Only the VIP offers this option at this time, with DCP Roth starting in 2024.

Roth contributions are made with after-tax dollars

Roth withdrawals, from the contributions **and** their earnings, will be tax free provided the withdrawal is made 5+ years after the contribution was made, and you are at least age 59.5.

If withdrawn before 5 years, it will be taxable income.

This is separate from Roth IRA contributions, which are limited to \$7000 or \$8000 for those over 50.



Would Pre-Tax or After-Tax be Right for You?

- Do you want to pay taxes now or later?
- When do you think you will have a higher level of taxable income? If higher at retirement or future wages, paying taxes when wages are lower may be wise.
- Pre-tax contributions will keep more money in your paycheck now.
- You can split contributions between Pre- and After-tax.
- If you want to leave tax-free money to your heirs, After-tax contributions would allow for that.



Timing of Elections

The Voluntary Investment Plan (VIP):

Submission Date	Paycheck Date
Between the 1 st and 15 th	25 th check
Between the 16 th and end of month	Following month's 10 th check
You can also identify a future effective contribution date.	
The last pay period to make a 2022 contribution will be for the period December 1 – 15, paid on December 23.	

The Deferred Compensation Plan (DCP):

Submission Date	Paycheck Date
Between the 1 st and 15 th	Following month's 10 th check
Between the 16 th and end of month	Following month's 25 th check
The last pay period to make a 2022 contribution will be for the period November 16 - 30, paid on December 23.	



Example 1:

EE earns \$320,000 a year, is 48, and participates in the WSURP at 7.5%

\$48,000: EE \$24,000 + ER \$24,000 contribution to WSURP

\$21,000: VIP 403b contribution (\$69,000 - \$48,000)

\$23,000: DCP 457b contribution

This employee could contribute the maximum contribution amount to the DCP account, and \$21,000 to the VIP account to ensure they do not exceed the combined \$69,000 contribution limit.



Example 2:

EE earns \$150,000 a year, is 54, and participates in the WSURP at 10%

\$30,000: EE \$15,000 + ER \$15,000 contribution to WSURP

\$26,750: VIP 403b contribution (\$30,500 – \$3750 2.5% WSURP EE)

\$30,500: DCP 457b contribution

This employee could contribute the maximum amount to the DCP account, and \$26,750 to the VIP account to ensure they do not exceed the \$30,500 voluntary contribution limit.

Under the \$69,000 contribution limit, subtracting the EE + ER contribution of \$30,000 would leave \$39,000 to be contributed to the VIP. This amount is not used, since it would exceed the voluntary contribution limit of a total of \$26,750.



Example 3:

EE earns \$450,000 a year, is 64, and participates in the WSURP at 10%

\$69,000: EE \$34,500 + ER \$34,500 contribution to WSURP

\$7500: VIP 403b contribution; \$30,500: DCP 457b contribution

This employee could contribute the maximum amount to the DCP account, and \$7500 to the VIP account. Since EE has reached \$69,000 combined EE + ER contribution limit, they can only do the \$7500 catch-up contribution to the VIP.

Under the maximum \$30,500 contribution limit, it reflects they could contribute \$21,875 (\$23,000 + \$7500 - \$8625 2.5% WSURP contribution). However, since they already met the \$69,000 limit with the WSURP contributions, they are not able to make this level of contribution to a VIP – only the \$7500 catch-up contribution.



Example 4:

EE participates in PERS or TRS, 401a plans

Contributions to PERS or TRS do not impact VIP or DCP contributions

VIP 403b contribution: \$23,000 <50; \$30,500 => 50

DCP 457b contribution \$23,500 <50; \$30,500 => 50

DRS participants can contribute the maximum contribution amount to both the VIP and DCP account.

The employee's contributions to the PERS or TRS account will stop if/when they reach \$345,000 worth of earnings in 2024.

