



NCIRE

Northern California Institute for Research and Education

NCIRE Retirement Plan FAQs

Savings decisions you make early in your career can potentially set you up for a financially successful future. The earlier you start saving and investing—regardless of the amount—can potentially make a big difference down the line. This information sheet will answer common questions to help you get started.

NCIRE's retirement plans are managed by the Principal Financial Group (PFG) www.principal.com.

Retirement Plan Chart Comparison				
	403b Regular	403b Roth	403b Catchup Regular or Roth	Defined Contribution Plan (Employer funded)
Eligibility	All employees	All employees	All employees 50 years or older	All Employees with 2 years of service & 1000 hours each year
Tax Implications	Pre-tax: You do not pay taxes on your contributions but you pay taxes at the time of withdrawal	Post-tax: You pay taxes on your contributions, but not at the time of withdrawal	Pre-tax or Post-tax depending on which option you choose	You do not pay tax on employer contributions, but you will pay income tax when you take a withdrawal
Employer Match <small>*Effective 01.01.2020</small>	The 403b employer contribution matches dollar for dollar up to 5% pre-tax and applies to the Regular, Roth and Catchup Plans.			Discretionary employer contribution: 5% of salary up to a max \$26,500

Q. Does NCIRE provide company matching contributions?

A. Yes, NCIRE will match your 403b contribution dollar for dollar (aka 100% match) up to 5%. For example, if you put in 5%, NCIRE will contribute 5%; if you contribute 2%, NCIRE will contribute 2%. If you put in 6%, NCIRE will contribute 5%, because this is our maximum match.

You are 100% vested immediately, which means you will have earned the rights to all the money an employer has contributed on your behalf to the 403b plan.

Q. How is the Employer Match different from the Defined Contribution Plan

A. The Defined Contribution Plan is separate plan from the 403b employer match. This is an employer funded plan and the discretionary contribution is 5%. You must meet eligibility requirements of two years of service and worked 1000 hours each year and you do not have to be enrolled in 403b plan to qualify. You are 100% invested in this plan upon enrollment.

Q. How do I know what investments to choose?

- A. If you're new to investing and want the Principal to help you choose funds for you, you can choose **Target Date Funds**. TDF's offer a diversified mix of equities and fixed income that rebalance over time based on your age. This is also the "default" fund you will be enrolled in if you do not make any fund selections.
- B. If you're a savvy investor, you can choose from the different funds' options on your own. Please refer to our retirement booklet for fund performance.

Q. How and when can I enroll in the 403b plans?

- A. Please allow at least two weeks after your hire date to allow the Principal to set-up your account. Once set-up you can go to <https://myvirtualcoach.principal.com/> for a fun interactive experience to assist you in enrolling. You can also go directly to <http://www.principal.com> and click 'Register Now' and enter your birthdate and ID number, which is your social security number. Once enrolled, you can stop or change your contributions as often as every pay period.
- B. If you do not make an election upon hire, you will automatically be enrolled at a pre-tax 5% deferral rate in the 403b Regular Plan 60 days after your hire date. You will also receive an automatic annual increase of 1% up to 10% on April 1 each year. **In order to opt-out of these automatic features, you must register and login to the <http://www.principal.com> or call 1-800-547-7754 prior to the pay period in which these actions will take place.**

Q. Do I have to assign a beneficiary?

- A. It is important to designate a beneficiary upon your death. You may designate any person, a trust or organization to receive the proceeds. This should be completed in the Principal website and should be updated for each retirement account that you are enrolled in.

Q. Can I take a withdrawal from these account(s)?

- A. If you are under age 59½ you cannot take a withdrawal unless you leave the company. You can take a loan from your 403b plans, but not from the Defined Contribution Plan. Please contact your Benefits Manager for more details.

Q. What happens to the account(s) if I leave the company?

- A. If you have more than \$5000 balance, you can roll it over to another qualified plan or keep it with the Principal indefinitely. If you have less than \$5000, you have 60 days to roll it into another qualified plan. If you have less than \$1000, the funds will be cashed out to you.

Please contact the Benefits Manager at 415.750.2232 if you have any questions or

Principal Financial Group: 800.547.7754, Account number: 458099