



Merrimack College (the “College”) provides its eligible employees with the opportunity to save for retirement through the Merrimack College 403(b) Retirement Plan (the “Plan”), a tax-deferred retirement savings plan, managed by TIAA. Eligible employees may voluntarily elect to contribute a portion of their eligible compensation into the Plan on a pre-tax basis – meaning that both federal and state income taxes are deferred until monies are distributed from the Plan. Please read on for additional information regarding this valuable employee benefit.

### **Eligibility**

All employees of the College are eligible to participate in the Merrimack College 403(b) Retirement Plan, with the exception of:

- those employees who are expected to work less than 20 hours per week – unless they work 1,000 hours or more per year.
- those individuals whose primary association with the College is as students who are regularly attending classes and are employed as student workers during the academic year.

Please note, Merrimack College students working 20 hours or more per week for the College during the summer months are eligible to participate in the Plan during this limited timeframe.

### **Enrollment**

Eligible employees may enroll in the Merrimack College 403(b) Retirement Plan at any time beginning on their date of hire. Those employees who do not meet plan eligibility requirements as of their date of hire may enroll in the Plan immediately upon eligibility, such as upon an increase in scheduled hours. Student workers are eligible to enroll in the Plan during the summer months only (generally defined as pay dates falling within June 1 – August 31 annually) if they are expected to work 20 hours or more per week during this time.

Employees who are interested in enrolling in the Plan must complete an online enrollment process with TIAA, which includes creating a retirement savings account, designating an elective deferral contribution percentage, selecting investment allocations, and naming beneficiaries. Please refer to the Enrollment Instructions for further information. Instructions can be found on the Human Resources MyMack page under *Benefits/Retirement Savings – 403(b)* or in the Human Resources office.

### **Employee Contributions**

Employees who wish to contribute to the Merrimack College 403(b) Retirement Plan must notify the College of their intention by designating an elective deferral contribution percentage online with TIAA. Through the online process with TIAA, employees indicate the elective deferral contribution percentage on a per pay period basis (“maximize” also is an option) and authorize pre-tax withholding from Payroll. Instructions can be found on the Human Resources MyMack page under *Benefits/Retirement Savings – 403(b)* or in the Human Resources office.

Through the online process, the employee will indicate the future pay date on which the election shall take effect. The specified elective deferral contribution percentage will remain in effect until it is modified or revoked by the employee. Employees may increase, decrease, or stop their elective deferral contributions to the Plan at any time by completing the online process with TIAA. Employees are 100% vested in their accounts under the Plan at all times.

In addition, participating employees can make changes to investment allocations at any time by contacting TIAA directly.

## **Employer Contributions**

Eligible employees who are age 21 years or older may receive an employer contribution as of the first of the month following the completion of two years of qualified service with the College, assuming that no intervening break in service has occurred. A year of qualified service is a 12-month period, measured from the employee's 403(b) eligibility date, in which the employee has worked 1,000 hours or more.

Service in education immediately prior to joining Merrimack College could be used to satisfy all or part of the two-year waiting period; please speak to Human Resources for more information.

Upon completing the two years of qualified service, employees who contribute on average 2.5% of eligible compensation into the Plan will receive a College contribution equivalent to 8.5% of the employee's eligible compensation – as evaluated on a plan year basis. There is 100% immediate vesting of the employer contribution.

## **Contribution Limits**

The IRS limits the amount an employee may contribute to this and other plans in any tax year. This limit is subject to change annually. The contribution limits for the current year are as follows:

<b>Year</b>	<b>Individual Elective Deferral Contribution Limit for all plans of this type (Under age 50)</b>	<b>Age 50+ Catch-Up (Age 50 years or older)</b>
2025	\$23,500	Additional \$7,500

Please note the individual elective deferral contribution limit indicated above takes into account all employee contributions made into the Merrimack College 403(b) Retirement Plan – both the 2.5% needed to receive the employer matching benefit, if applicable, as well as any supplemental contributions.

Each participant is afforded one annual limit for contributions to all 403(b) plans in a given year; therefore, if a Merrimack College employee is also a participant in a 403(b) plan of another employer at any time during the tax year, the employee's combined contributions to that plan and the Merrimack College 403(b) Retirement Plan are generally limited to \$23,500 in 2025. In these circumstances, the employee is responsible for tracking and reporting the amount of all contributions to the plans so that the total amount of all contributions to all plans in which the employee participates does not exceed the IRS annual limit. Note also that the sum of all employee contributions, and those of the employers, to all 403(b) plans in which the employee participates are generally limited to the lesser of \$70,000 or 100% of employee compensation in 2025.

## **Additional Information**

More information regarding the Merrimack College 403(b) Retirement Plan can be found on the Human Resources MyMack page under *Benefits/Retirement Savings – 403(b)* or by contacting The Office of Human Resources, at 978-837-5157 or [humanresources@merrimack.edu](mailto:humanresources@merrimack.edu) or TIAA at 800-842-2252.

*This notice is provided as a source of information and does not constitute legal, tax, or other professional advice. If legal advice, tax advice, or other professional assistance is required, the services of a professional advisor should be sought. Every effort has been made to make this notice as thorough and accurate as possible. However, there are other legal documents, laws, and regulations that govern the operation of the Plan. It is understood that in the event of any conflict, the terms of the Plan document, applicable laws, and regulations will govern.*



September 26, 2013

**THIS NOTICE IS REQUIRED BY THE NEW NATIONAL HEALTH REFORM  
LAW (ALSO KNOWN AS THE AFFORDABLE CARE ACT OR ACA)**

To all Faculty and Staff:

This notice is meant to help you understand health insurance Marketplaces, which were set up to make it easier for consumers to compare health insurance plans and enroll in coverage. In Massachusetts, the state Marketplace is known as the Massachusetts Health Connector. Your employer is required by law (§ 1512 of the ACA, which creates 29 U.S.C. 218b) to provide you the information contained in this notice. You may or may not qualify for health insurance through the Health Connector.

If you are offered coverage by your employer that is considered "affordable" and meets a "minimum value" standard according to federal definitions (see below), you most likely will not qualify for the subsidized coverage offered through the Health Connector described in this notice. However, it may still be helpful for you to read and understand the information included here. Please ask your employer for more information if you have questions.

**OVERVIEW:**

When key parts of the national health reform law take effect in January 2014, there will be an easy way for many individuals and small businesses in Massachusetts to buy health insurance: the Massachusetts Health Connector. This notice provides some basic information about the Health Connector, and how coverage available through the Health Connector relates to any coverage that may be offered by your employer. You can find out more by visiting: [MAhealthconnector.org](http://MAhealthconnector.org).

**WHAT IS THE MASSACHUSETTS HEALTH CONNECTOR?**

The Health Connector is our state's health insurance Marketplace. It is designed to help individuals, families, and small businesses find health insurance that meets their needs and fits their budget. The Health Connector offers "one-stop shopping" to easily find and compare private health insurance options from the state's leading health and dental insurance companies. Some individuals and families may also qualify for a new



kind of tax credit that lowers their monthly premium right away, as well as cost sharing reductions that can lower out-of-pocket expenses. This new tax credit is enabled by § 26B of the Internal Revenue Service (IRS) Code.

Open enrollment for individuals and families to buy health insurance coverage through the Health Connector begins October 1, 2013, for coverage starting as early as January 1, 2014. (And in future years, open enrollment will begin every October 15.) You can find out more by visiting [MAhealthconnector.org](http://MAhealthconnector.org) or calling 1-877-MA ENROLL (1-877-623-6765).

#### **CAN I QUALIFY FOR FEDERAL AND STATE ASSISTANCE THAT REDUCES MY HEALTH INSURANCE PREMIUMS AND OUT-OF-POCKET EXPENSES THROUGH THE HEALTH CONNECTOR?**

Depending on your income, you may qualify for federal and/or state tax credits and other subsidies that reduce your premiums and lower your out-of-pocket expenses if you shop through the Health Connector. You can find out more about the income criteria for qualifying for these subsidies by visiting [MAhealthconnector.org](http://MAhealthconnector.org) or calling 1-877-MA ENROLL (1-877-623-6765).

#### **DOES ACCESS TO EMPLOYER-SPONSORED COVERAGE AFFECT MY ELIGIBILITY FOR SUBSIDIZED INSURANCE THROUGH THE HEALTH CONNECTOR?**

An offer of health coverage from your employer could affect your eligibility for these credits and subsidies through the Health Connector. If your income meets the eligibility criteria, you will qualify for credits and subsidies through the Health Connector if:

- Your employer does not offer coverage to you, or
- Your employer does offer you coverage, but:
  - o Your employer's offer of coverage for just you (not including other family members) would require you to spend more than 9.5 percent of your household income for the year; or
  - o The coverage your employer provides does not meet the "minimum value" standard set by the new national health reform law (which says that the plan offered has to cover at least 60 percent of total allowed costs).

If you purchase a health plan through the Health Connector instead of accepting health coverage offered by your employer, please note that you will lose the employer contribution (*if any*) for your health insurance. Also, please note that the amount that you and your employer contribute to your employer-sponsored health insurance is often excluded from federal and state income taxes.

1. **Employer-Sponsored Health Coverage.** Merrimack College offers employer-sponsored health insurance coverage that is affordable and meets a minimum value standard (according to federal standards) to some of its employees. For details of the Merrimack College employer-sponsored health insurance coverage, please contact Human Resources at (978) 837-5157. If the employee receiving this notice does not qualify for such benefits, the Health Connector can help employees evaluate coverage options, cost and eligibility. Please visit [MAhealthconnector.org](http://MAhealthconnector.org) for more information, including and online application for health insurance coverage.
  
2. **"Cafeteria Plan" Eligibility.** Many Massachusetts employers (those with 11 or more full-time equivalent employees) are required to offer a Section 125 plan, or "Cafeteria Plan." These plans allow employees to pay for their health insurance on a pre-tax basis. This Massachusetts law (956 CMR 4.00, authorized by M.G.L. c. 176Q, § 16) requires employers to provide an option for their employees to buy health insurance with pre-tax income, even if those employees don't qualify for a health plan offered by the employer. This is done by setting up a payroll deduction that lets workers make a health insurance premium payment with pre-tax dollars. Employees can find out more by contacting Human Resources at (978) 837-5175.

Should you have any questions or concerns regarding the Marketplace or the benefits offered by Merrimack College to eligible employees, please do not hesitate to contact Human Resources

Sincerely,

Merrimack College  
Human Resources

**QUESTIONS? Contact Human Resources (978) 837-5157. Or visit [MAhealthconnector.org](http://MAhealthconnector.org) or call 1-877 MA ENROLL (1-877-623-6765) or TTY: 1-877-623-7773, Monday to Friday, 8:00am to 6:00pm.**