

NOT YOUR TYPICAL RETIREMENT PLAN

PUSH YOUR MEDICAL COLLEGE OF WISCONSIN 403(b) CONTRIBUTIONS TO THE LIMIT IN 2025



Each year, the IRS sets a limit on the amount employees can contribute to their retirement plan accounts. For 2025, the combined maximum for employee and employer contributions is \$70,000*, a limit that's often unattainable for most due to the structure of typical retirement plans. However, the Medical College of Wisconsin (MCW) 403(b) Plan isn't typical.

THE OVERVIEW

Unlike many retirement plans, the MCW 403(b) Plan is designed to allow three types of contributions:

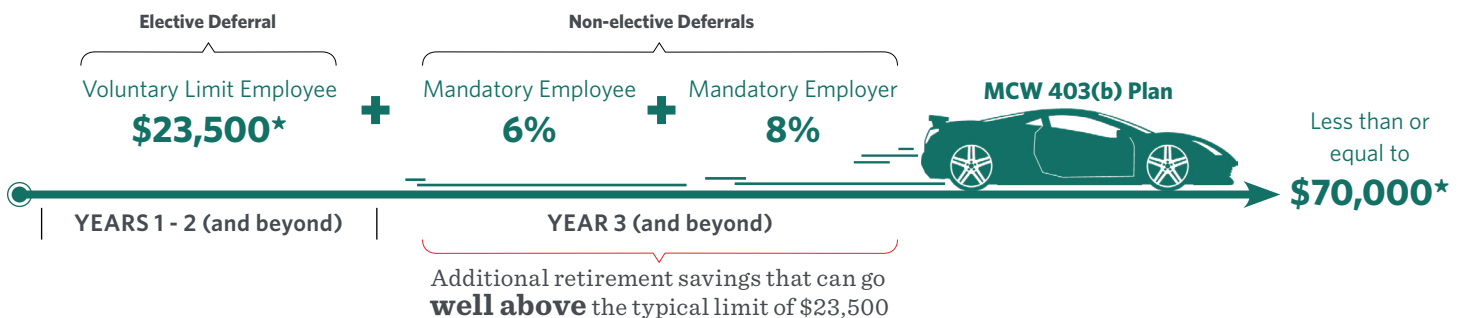
- Voluntary employee contribution (available any time during employment)
- 6% Mandatory employee contribution (provided you are not an excluded employee, you must be age 21 with two years of service)
- 8% Mandatory employer contribution (provided you are not an excluded employee, you must be age 21 with two years of service)

The mandatory employee and MCW mandatory employer contributions collectively are non-elective deferrals that count exclusively toward the IRS annual combined total deferral limit. This unique feature allows you to make voluntary employee contributions, above and beyond your mandatory contributions, up to the IRS elective limit (see IMPORTANT NOTE).

HOW IT WORKS

Upon hire, you have the opportunity to make voluntary deferrals into your 403(b) plan, up to the IRS limits.

In the MCW 403(b) Plan, you have the ability to save more than in a typical retirement plan. In fact, as shown below, you can save as much as \$70,000 per year!



In a typical retirement plan, an employer will generally have a maximum percentage that they will contribute. This is known as an employer match. Even with a generous dollar-for-dollar employer match, with no cap, if you voluntarily contribute \$23,500 to earn the full employer match, there is no opportunity to contribute more. Under this typical matching plan design, **the total of all contributions is only \$47,000.**



*2025 IRS limit if under age 50

IMPORTANT NOTE

Based on your annual compensation, not everyone participating in mandatory contributions can contribute the maximum voluntary \$23,500 contribution in 2025.

CONTRIBUTION CHART BASED ON EARNINGS

ANNUAL COMPENSATION	VOLUNTARY DEFERRAL UNDER AGE 50	VOLUNTARY DEFERRAL UNDER AGE 50-59 AND 64 AND OLDER	VOLUNTARY DEFERRAL AGE 60-63
\$350,000 and over	\$21,000	\$28,500	\$32,250
\$332,142 - \$350,000	\$23,500 - \$21,000	\$31,000 - \$28,500	\$34,750 - \$32,250
\$332,142 and under	\$23,500	\$31,000	\$34,750

The deferral amounts above for ages 50+ include the maximum IRS catchup contributions. You must always keep your mandatory and voluntary contributions within the IRS limits!

EXAMPLE:

For someone age 52 in 2025, making \$350,000 or more, it looks like this:

- \$21,000 in mandatory employee contributions (\$350,000 x 6%)
- \$28,000 in mandatory employer contributions (\$350,000 x 8%)
- \$21,000 in voluntary contributions
- \$7,500 in catch-up contributions (age 52)

Add it all up, and you could stash away the **maximum \$77,500 in just one year.**

NEXT STEP

Take advantage of MCW’s unique contribution structure. Log in to your account at transamerica.com/portal/mcw and start your voluntary contributions today.

Get in touch:



Your Transamerica retirement planning consultant is here to help. Select **SCHEDULE** or use the QR code to set up your complimentary meeting today.



GOT AN IPHONE OR ANDROID?

Simply point the camera at QR code.

More information:



VISIT
transamerica.com/portal/mcw



PHONE
800-755-5801

Matching contributions are subject to plan vesting requirements. Descriptions of plan features and benefits are subject to the plan document, which will govern in case of any inconsistencies.

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