

Human Resources: Defined Contribution Retirement Plan - Plan Highlights

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As of January 1, 2011, WHOI's Retirement Plan will be delivered through a tax-deferred defined contribution retirement savings plan. The Defined Contribution Retirement Plan is a 403(b) plan, which allows for employees to contribute a portion of their earnings each pay period on a pre-tax basis into the investment fund(s) of their choice.

The information below will provide a highlight of the major components of the Plan. For more detailed information about the Plan, please review the official [Summary Plan Description \(SPD\)](#) booklet.

WHOI's Contribution

WHOI will make Base contributions into the Defined Contribution Retirement Plan for eligible employees. The amount of WHOI's contribution is based on a 'points system' determined by a combination of 'age + service.' Both age and service will be tracked during the year to adjust for additional points and, if applicable, will automatically be upgraded to the next percentage tier (e.g., from 8% to 10% when an employee reaches 60 points).

<i>Points (age + service):</i>	<i>Amount of WHOI Contribution:</i>
Less than 60 points	8% of pay*
60 < 70 points	10% of pay*
70 or more points	12% of pay*

In addition, WHOI will make extra contributions through a 'Transition Benefit,' which is available from January 1, 2011 through December 31, 2020 for regular employees who were hired prior to January 1, 2010. These special transition benefits are based on an employee's age:

<i>Age:</i>	<i>Amount of additional WHOI Contribution:</i>
Age 50 < 60	Additional 2% of pay*
Age 60 < 62	Additional 4% of pay*
Age 62 or older	Additional 6% of pay*

Note: There is a maximum accumulated transition benefit amount of 36%.

**Includes base pay and overtime*

Eligibility

For Employee Contributions:

Any employee who is paid by WHOI and receives a W-2 will be eligible to participate in retirement savings by making pre-tax and/or after-tax Roth 403(b) contributions into the Defined Contribution Retirement Plan. There is no waiting period for commencing employee contributions.

For WHOI Contributions:

Employees will become eligible for contributions from WHOI after completing one year of service with 1,000 hours worked (this waiting period was waived for regular employees who were hired prior to January 1, 2010).

Vesting

There is a 3-year vesting period on all WHOI contributions made into the Defined Contribution Retirement Plan. This means that an employee who has received a contribution from WHOI must complete three (3) calendar years with 1,000 hours in order to own those employer contributions. For regular employee's, prior service is counted towards the determination of an employee's vesting achievement.

Any contribution that an employee makes on their own into the Defined Contribution Retirement Plan is always 100% vested and owned by the employee. These contributions are not subject to vesting rules.

Contribution Limits

Under the Internal Revenue Code (IRC), an employee's own contribution (elected salary deferral) into the Defined Contribution Retirement Plan are subject to annual contribution limits. For 2014, the maximum amount an employee can contribute into a 403(b) plan is \$17,500, or \$23,000 if you are age 50 or older by December 31st.

It is important to note that these limits are inclusive of any contributions you make, or have made during the year, into any 403(b) or 401(k) plan – not just WHOI's Plan. If you are making tax-deferred contributions through another employer's retirement savings plan, you should speak with a qualified tax adviser to make sure that your combined contributions do not exceed the IRC limits. This can be especially important for those employees who are newly hired to WHOI and have contributed to another plan during the year, prior to commencing their employment with WHOI.

Automatic Enrollment

Effective January 1, 2011, employees who are eligible to participate in the Defined Contribution Retirement Plan will be automatically enrolled to contribute 4% of their salary if they are not already doing so. This applies to regular status employees only.

Although WHOI will be automatically enrolling employees to participate in the Defined Contribution Retirement Plan, employees will always have the option of opting out or electing a deferral amount less than 4%. Employee contributions will not impact the eligibility or amount of WHOI's contribution.

Lifetime Annuity Purchase Plan (Available only to those employees who are also participants of the Defined Benefit Plan)

Employees who are also participants of the Defined Benefit Plan, which was closed to new participants as of January 1, 2010, may roll-over the WHOI-contributed portion of their Defined Contribution Retirement Plan account balance to the Defined Benefit Plan upon retirement as a way of receiving a single life annuity payment. In order to qualify for this option, the following criterion applies:

- The employee must be a participant of the Defined Benefit Plan
- The employee must meet the criteria for Early Retiree benefits (at least age 55 with 10 years of service); or attain Normal Retirement Age (65)
- Only WHOI's contributions to your Defined Contribution Retirement Plan account can be used (must be fully vested)
- The employee must roll-over 100% of eligible contributions from the DC Plan (e.g. partial roll-overs are not allowed)
- The amount rolled over must be a minimum of \$5,000
- The employee must commence rollover at the same time as distribution from the Defined Benefit Plan
- The employee must take a distribution from the Defined Benefit Plan as a full annuity payment (e.g., cannot take a lump sum payment from the DB Plan and use rollover from the DC Plan for an annuity payment)

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