

To: Employees Eligible to Participate in 403b/457b Supplemental Retirement Annuity (SRA) Plans

From: Ms. Suzanne Redding, Manager of Benefits, Retirement, and Wellness
Office of Human Resources and Strategic Talent Management (HRSTM)

Subject: **Changes to 403b/457b Supplemental Retirement Annuity (SRA) Plans for 2025–
Take Action During Open Enrollment and in Early 2025**

Date: October 31, 2024

The HRSTM Benefits Team is pleased to share significant and exciting updates to our 403b/457b Supplemental Retirement Annuity (SRA) Plans for 2025:

- **Employees are now able to make 403b/457b SRA contributions during the summer.** In the past, when statutory Maryland State Retirement Plan contributions for the Pension Plans and Optional Retirement Plan (ORP) were suspended during the six (6) summer pays, the College also suspended all SRA contributions. Beginning in 2025, all pays, including summer, will be eligible for 403b/457b SRA contributions. Teachers' Pension System and ORP contributions will continue to be suspended during the summer, as required by the State. Please note that members of the Employees' Pension System (mostly Facilities and Public Safety staff) will continue to have their pension contribution come out all 26 pays, as required by the State. **Employees now have the power to contribute to SRAs, or not, from all pays during the calendar year when they are receiving eligible pay, to include faculty Summer Pay and Deferred Pay.** Employees who wish to suspend contributions to SRAs during the summer may cancel them but will need to take action to resume contributions.

Action Required during Open Enrollment:

1. **All employees should confirm current elections in [Workday](#), even if there are no changes for 2025, including SRA elections.** Employees should also consider how much they want to contribute into a 403b/457b SRA over the 26 pays in 2025 before confirming elections in Workday.
 2. Employees who do not currently have an SRA, but wish to start one, must open an account with the [approved SRA providers](#) before SRA contributions can be deducted from biweekly pay.
- **SRA contributions will be made as a percentage of biweekly pay instead of a flat-dollar amount.** Currently, part-time faculty already have the ability to contribute to SRAs as a percentage, which

will be extended to all employees. This change is rooted in best practice, as percentage contribution elections will allow employees to automatically benefit from higher retirement savings as their earnings increase without having to take action. **In the new year, HRSTM will initiate a transition process for communicating and working with each unit/area to assist employees with the change from a flat-dollar contribution to a percentage contribution. During open enrollment, employees will still confirm or make a new flat-dollar SRA election in Workday.**

Action Required during Open Enrollment:

- 1. Employees must confirm, change, or add a flat-dollar SRA 403b and/or 457b contribution amount election in [Workday](#) when completing open enrollment elections.**
2. When HRSTM initiates the transition process and sends targeted communications beginning in January 2025, employees must make the necessary adjustment in Workday to officially change the flat dollar amount to a percentage. **Employees must make an election for a percentage SRA contribution effective March 1, 2025. All flat-dollar contributions will be cancelled as of February 28, 2025. If no percentage contribution is entered as of March 1, 2025, there will be no deduction on the subsequent pay date but can be added at a later date.**

We know many employees have been asking for these improvements, and we are thrilled that we are able to operationalize your requests.

We encourage you to consider attending the [2025 Open Enrollment Information Session](#) and/or signing up for a [personal one-on-one session](#) for assistance with any of your benefits and retirement elections. Please [visit the Open Enrollment page](#) for additional information about open enrollment.

If you have any questions, please direct them to HRbenefits@montgomerycollege.edu.