403(b) Auto Enrollment
Frequently Asked Questions (FAQ)

(Last updated: November 19, 2025)

Q. Why is SCU implementing auto enrollment at 5% for the 403(b) Retirement Savings Plan?

A. Studies show that 79% of Americans agree there is a retirement crisis and yet half of workers in the private sector don't participate in a workplace retirement plan[1, 2]. Individuals who are automatically enrolled in a retirement savings plan tend to continue their participation. The earlier an individual participates, the more time they have to benefit from compounding interest and to grow their investments. In an effort to encourage employees to plan for their future, SCU decided to implement automatic 403(b) enrollment as of January 1, 2026.

Retirement providers and financial planning best practices recommend saving approximately 15% of pre-tax income for retirement. Employees that are not contributing, or are contributing less than 5%, will be subject to an auto enrollment at a 5% contribution rate. Combined with SCU's contribution of 10% of employees' base earnings to 401(a) accounts, employees that are auto enrolled in their 403(b) at 5% will at least be saving the recommended 15% of earnings toward retirement.

Please note: Employees may opt out of auto enrollment

Q. Will automatic enrollment occur every year? What if I leave SCU and return?

A. SCU does not intend to implement automatic enrollment on a recurring basis. Once you opt out or change your contribution after 1/1/2026, you will no longer be subject to automatic enrollment even if you leave SCU and return. (If SCU chooses to reimplement automatic enrollment some time in the future, we are required to provide participants with a minimum of 45 days of advance notice.)

Q. Will auto enrollment affect my 401(a)?

A. No, your 401(a) will not be affected. SCU will continue to contribute 10% of your base annual earnings to your 401(a) regardless of your 403(b) election.

Q. When can I opt out?

A. You will be able to opt out of automatic enrollment in Retirement Portal starting on November 25, 2025. To opt-out, log into the Retirement Plan Portal and change your deferral percentage. Go to Manage Contributions and select the **Santa Clara University TDA Account (403(b))**. You will need to select "Enroll" if you have not enrolled previously and select "Standard Enrollment." If you'd like to opt-out, go to Manage Contributions, select 0% under both Voluntary and Roth and click on "Change Contribution Amount." You will then need to review the information and click on "Submit." An email will be sent to you indicating the change.

Q. What if I only elected Roth (post-tax) contributions to my 403(b)? How will this impact me?

If you are contributing 5% or more on a Roth basis, there is no impact.

If you are contributing less than 5% on a Roth basis, and take no action, your Roth contribution will increase to 5%

Q. What if I am contributing on a pre-tax basis and Roth post-tax basis?

A. If your combined contributions equal less than 5%, and you do not opt out, your contributions will be increased to a total of 5%. The increase will be applied to the pre-tax portion of your election. For example:

Q. Why can't I elect to contribute a flat dollar amount?

A. Retirement Portal is configured to use percentages only when applying automatic enrollment. SCU had to eliminate flat dollar elections in order to implement automatic enrollment.

Q. How often can I change my contribution percentage?

A. You can change your 403b contributions in the Retirement Plan Portal at any time. Changes are electronically transmitted to Workday every week on Thursdays. Keep in mind that Payroll completes processing paychecks a few business days in advance of actual pay dates. Changes made to your contribution may not be reflected on the pay date that occurs immediately after you make a change.

If you would like your change in contribution to be reflected on the January 22, 2026 paycheck, you must enter your new election in the Retirement Plan Portal between December 11, 2025 and December 16, 2025.

Q. If I am auto enrolled, can I change my mind and get the contributions back?

A. Yes, under certain circumstances participants will be able to request their previously made contributions back. The deadline to request a return of the contributions will be 90 days from the date you were auto enrolled. For this initial implementation, employees that do not opt out will be auto enrolled as of January 6, 2026. (This is the date deferral elections are transmitted to Workday). This means the deadline will be April 6, 2026.

Q. How do I request the return of contributions made through auto enrollment?

A. Fidelity account holders: You will call (800) 343-0860

TIAA account holders: You will call TIAA: (800) 842-2252

Contributions returned due to auto enrollment within 90 days of the increase will be subject to normal income tax but exempt from tax penalties.

Q. If I request a return of the contribution within the 90 days, how will I receive the money?

A. Fidelity account holders: Fidelity will deduct the appropriate taxes and send you a check.

You will also receive a 1099-R in late January of the following year to file with your tax return.

<u>TIAA Account holders:</u> TIAA will deduct the appropriate taxes and send you a check. You will also receive a 1099R in late January of the following year to file with your tax return.

Q. If I want to contribute the maximum for 2025, how do I calculate the right percentage for the remainder of the year?

A. For employees that have *only contributed to SCU's retirement plans* for all of 2025:

- Determine the total amount you wish to contribute by the end of 2025
- Determine how much you have contributed YTD by looking at your most recent pay statement in Workday
- Subtract the YTD contribution from the desired total annual contribution
- Divide the balance by the number of remaining paychecks in the year
- Divide this number by your gross per pay period earnings
- Please note:
  - Contribution changes for all employees should be made in Retirement Plan Portal (Fidelity and TIAA account holders)
  - Changes made in Retirement Plan Portal are transmitted to Workday every Thursday
  - Changes are loaded into Workday every Friday
  - Payroll processes paychecks approximately 4 business days before the pay date

If you only contributed to a retirement account at SCU in 2025, Workday will automatically cap your contributions at the appropriate IRS maximum.

If you have contributed to another employer's retirement plan and to SCU's plan at any time in 2025, the above calculation will not apply.

Q. What is the maximum amount I can contribute to my 403(b) in 2025?

A. The IRS maximum employee contributions for 2025 are:

- $23,500
- If you're age 50 or above: $31,000
- If you are age 60 - 63: $34,750

Q. Does the IRS maximum employee contribution include both the 401(a) and 403(b)?

A. No. The above maximum applies to an employee's contributions only. The SCU 401(a) plan is for contributions made by the University.

Q. Does the IRS employee maximum contribution include 403(b) pre-tax and 403(b) Roth contributions?

A. Yes. The combination of your 403(b) pre-tax and 403(b) Roth contributions may not exceed the annual maximum listed in the answer above.

Q. Is the IRS maximum for my contributions at SCU only?

A. The IRS maximum employee contribution applies to the combination of all contributions made to all employers' retirement plans in 2025.

If you had, or continue to have, another employer in addition to SCU, it is your responsibility to monitor your contributions. SCU is not responsible for excess contributions made by employees with retirement accounts in addition to SCU's plans.

Q. What if I accidentally contribute more than the IRS maximum?

A. If you recognize you have made an excess contribution for 2025 and wish to remove the excess from the SCU plan, you may request a distribution by contacting the SCU Benefits Department. The IRS deadline for removal of excess is April 15, 2026; however, you should make your request by March 15, 2026 in order to ensure that there is sufficient time for the Benefits team to prepare the necessary paperwork and for Fidelity or TIAA to process the distribution. You will need to provide documentation (such as a W-2) from your other employer or plan, showing the amount contributed in 2025.

If the excess is not removed by April 15, 2026 it will remain in your account. You will be taxed on the excess for the year in which it was contributed (2025) and taxed again upon distribution.

Q. Who do I contact if I have more questions?

A. Fidelity Investments: (800) 343-0860

TIAA: (800) 842-2252

Heffernan Financial Services: (800) 437-0045

SCU Benefits: scu-benefits@scu.edu

Q. If I don't opt out of auto enrollment, when will I see the contributions taken out of my paycheck?

A. If you do not opt out, the first contribution will be deducted from your January 22, 2026 pay check.

Q. If I am auto enrolled, how will my contributions be invested?

A. If you are auto enrolled, you can choose the provider you wish to invest with. Visit the Retirement Plan Portal to make your provider selection. You can learn more about each provider by contacting them:

- Fidelity Investments: (800) 343-0860 or Retirement Plan Portal
- TIAA: (800) 842-2252 or visit TIAA.org/santaclara

You can choose a retirement plan provider or be automatically enrolled with Fidelity. Similarly, you can choose your investment allocation or have your contributions automatically default to an age based retirement fund. If you selected an provider and investments prior to auto enrollment, your contributions will be invested accordingly.

To change your investments:

- Fidelity accountholders: Retirement Plan Portal
- TIAA account holders: http://www.tiaa.org/public/tcm/santaclara/home

1 National Institute on Retirement Security, February 2024

2. Bureau of Labor Statistics (BLS), January, 2024