

UNIVERSITY OF HAWAII 403(B) PLAN  
HGEA TEMPORARY HAZARD PAY (THP) DEFERRAL  
FREQUENTLY ASKED QUESTIONS

**Q1: What do I need to do if I do not currently have a 403(b)-account established?**

A1: If you have not deferred to a 403(b) account through your employer or do not have an active account you will need to establish an account with one of the University of Hawaii approved providers. A list can be found here: <https://www.nbsbenefits.com/UH403b/providers.php>

Please reach out to the Investment Provider of your choice and establish an account. Each provider will provide an enrollment packet to complete. It is important to complete this step prior to submitting your deferral request as to avoid delays or rejection of your deferral.

**Q2: I already have a 403(b) account through the University of Hawaii Plan, what do I need to do if I want to contribute all or a portion of my THP Settlement payment to the Plan?**

A2: If you already have an account that you are actively contributing to please complete a new Salary Reduction Agreement (SRA) form indicating the amount you would like to defer. If you would like to keep deferring your regular contribution(s) or cancel, please list both on the SRA form with the requested action.

Please also keep in mind your annual contribution limit as to not exceed that limit. The 2025 Maximum Contribution Limit is \$23,500. Age 50 or older may deduct an additional \$7,500 for a total of \$31,000.

**Q3: Is there a deadline for making a 403(b) THP contribution election?**

A3: Yes, all THP payouts will only be processed on the 3/20/2025 pay date. The deadline for National Benefit Services (NBS) to receive your SRA form is by 2/28/2025 by 4:30 PM MST. Any SRA's received after this date are not guaranteed to be processed.

**Q4: Can I elect to have a percentage of my THP Settlement payment be contributed to the Plan?**

A4: No, any THP Settlement contributions to your University of Hawaii 403(b) Plan must be a flat dollar amount.

**Q5: If I currently have an active contribution that is a percentage, do I need to change that to a dollar amount as well?**

A5: No, if your regular contribution is a percentage, you can continue using a percentage. As stated above, however, the THP contribution must be a flat dollar amount.

**Q6: Will other deductions be taken from the THP Settlement payment prior to my 403(b) deferral?**

A6: Yes, it is possible that other deductions will be taken from the THP Settlement payment prior to the 403(b) deduction. In addition, applicable payroll taxes (Federal and State withholding taxes, Social Security and Medicare aka FICA) will be deducted as appropriate.

**Q7: If I make an election to defer my entire THP Settlement payment that I am eligible to receive in March (e.g. \$10,000 or \$5,000) into my 403(b), will the entire elected amount be credited to my account?**

A7: Based on the previous question, the total amount that will be deferred to your 403(b) account will depend on what deductions are applied to your THP Settlement payment. As such, the amount could be different from what you elected as only the remaining balance after the other deductions are applied will be deposited into your 403(b) account.

Additionally, NBS will ensure that you will not exceed your annual contribution limit prior to sending funds to each provider. If for any reason you exceed your limit, a refund will be processed at a later date through your employer.

**Q8: What taxes are applied to my 403(b) plan election?**

A8: Pre-Tax and Roth (after-tax) 403(b) deductions are both subject to the Federal Insurance Contributions Act, or FICA, which is a payroll tax that helps fund Social Security and Medicare. It is listed on your paystub as FedOASDI/EE (Social Security) and Fed MED/EE (Medicare).

Pre-Tax 403(b) deductions are not subject to Federal or State withholdings at the time of deferral. It will be subject to tax withholdings when you start to take a distribution from your account.

Roth 403(b) deductions are taken on an after-tax basis, as such are subject to Federal and State Tax withholdings at the time of deferral. Contributions and any earnings are tax-free with a qualified distribution defined by the IRS.

**Q9: I retired from the University of Hawaii am I eligible to defer my THP Settlement to my 403(b)?**

A9: No as a retired employee you are not eligible to contribute to the plan therefore you are not eligible to defer your THP Settlement payment to your 403(b).