

## Retirement Plan and Federal Insurance Contributions Act (FICA)

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**Garrett-Evangelical's retirement plan offers full-time employees the chance to save and invest part of their income on a pre-tax basis and receive a matching contribution from the Seminary. In addition to retirement benefits, the Seminary pays the employer's contribution for Social Security and Medicare taxes under the Federal Insurance Contributions Act (FICA).**

### *Eligibility and Enrollment*

Employees become eligible to participate in the retirement plan after 1,000 hours of service at the Seminary have been completed.

- Once 1,000 hours of service have been completed, the employee may enroll into the retirement plan only during the open enrollment periods.
- Open enrollment periods are January 1 or July 1 of each calendar year.
- If an eligible employee chooses *not* to enroll during one of these periods, then she or he must wait to enroll until the next open enrollment period.
- Employees may choose not to participate in the retirement program of the Seminary.
- Even if eligible employees chose to waive the Seminary retirement plan initially, they may choose to enroll into the program during any open enrollment period.

### *Contribution Amounts*

The Seminary's matching contribution to an employee's retirement is discretionary and may be changed at any time.

- For *non-ordained participants*, the Seminary contribution to the retirement plan currently is 9 percent of the regular salary, provided the employee contributes 4.5 percent of her or his salary.
- For *ordained participants*, the Seminary contribution to the retirement plan currently is 12 percent of the regular salary, provided the employee contributes 6 percent. (An ordained employee participates in FICA as self-employed and therefore pays both the employer and employee share of FICA, which is not deducted from the paycheck.)
- Participants who already are *members of TIAA* may enroll in the TIAA retirement plan immediately. The Seminary makes matching contributions after 1,000 hours of service have been completed.

### *Leave of Absence*

Because contributions are based on a percentage of salary, during an unpaid leave of absence when the employee does not receive a paycheck, both the Seminary's and the employee's contributions to the retirement plan are suspended (see "Other Leaves of Absence" on page 17 of this handbook). Accrued retirement benefits are not forfeited, nor can they be withdrawn, during the leave of absence, unless it is a hardship withdrawal.