



## **Tax Deferred Retirement Account (TDRA): Noteworthy Changes to the Plan for 2012**

Effective January 1, 2012, the following changes approved by the Board of Directors will go into effect for the Tax Deferred Retirement Account (TDRA):

➤ **Base Rate of Return.**

The base rate of return for the TDRA from January 1 – June 30, 2012 will be 3.0%.

➤ **Hardship Distribution.**

The Internal Revenue Code permits such distributions from 403(b) retirement plans prior to age 59 ½ for specified hardships as outlined in the regulations. Effective January 1, 2012, hardship distributions are limited to funds contributed by an employee through salary renegotiation with the employer. Employer matching contributions or employer contributions in lieu of or in excess of salary are not eligible for hardship distribution while still employed by the contributing employer.

➤ **Defined Contribution Plan Limits.**

As an Internal Revenue Code (IRC) 403(b) plan, contributions to the TDRA are subject to the Defined Contribution Plan Limits under IRC Section 415(c). For 2012, the limit is the lesser of \$50,000 or 100% of compensation.

➤ **Elective Deferral Limits.**

Separate limits for salary reduction elective deferrals apply under TRC Section 402(g). The limit for 2012 is \$17,000.

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