

University Employee Benefits Guide

Baylor University Retirement Guide

A planning guide for Baylor faculty and staff. Review your retirement income, health coverage, and tax questions before deciding when to leave Baylor.

Prepare for the retirement you want after Baylor.

You have spent years building a career and saving for the future. As retirement gets closer, you may be thinking about time with family, travel, or simply having more say in how you spend your days. You want to know when you can afford to leave and how to use what you have saved without overlooking an important benefit.

Your account balance is a starting point. You also need to understand how you will pay yourself, what happens to your health coverage, and how taxes affect the money available to spend. If your family uses Baylor tuition benefits, or you have savings in more than one plan, the timing of your departure deserves a closer look.

We wrote this guide to help you work through those questions. It covers your Baylor retirement accounts, the benefits to confirm before you leave, and the tax and payout decisions that may need attention. The examples and checklists will help you identify what applies to you; the worksheet gives you a place to collect questions for Baylor HR, TIAA, and your advisor.

Begin with what retirement needs to provide for you and your family. Use that picture to evaluate your savings, benefits, and possible retirement dates.

A quick note on scope

This guide uses publicly available plan information. Your hire date, service record, account terms, and the documents in force when you retire determine what applies to you. Confirm your benefits and withdrawal options with Baylor HR or your plan provider, and discuss your personal tax questions with a qualified tax professional. This is educational guidance, not individualized advice.

Review your retirement records.

Start with your account statements and employment record. These checks help you see what you have and what needs confirmation before you plan withdrawals.

1 Find your two TIAA accounts.

Baylor's contribution goes to the employer account (the RC contract) and your own deferrals to the employee account (the RCP contract). Since August 1, 2026, Baylor contributes 8% of eligible pay, down from 10.8%. Eligible employees need not contribute to receive it and are fully vested in amounts contributed. The university contribution is discretionary; confirm the plan's pay definition with HR.

2 Confirm your eligibility date.

The university contribution starts once you are 21 and have a year of service. A year at another accredited college or university counts, if you filed the prior-service form within 30 days of your hire date.

3 Review your own contribution rate.

If you were hired on or after June 1, 2024, the plan enrolled you at 3% pre-tax unless you changed it. A change made in your TIAA account takes effect the next pay period. The drop to 8% is a reason to review your rate, not a signal to replace a particular percentage.

4 Decide pre-tax or Roth.

The plan takes Roth deferrals at any income level, and it allows an in-plan Roth conversion of your pre-tax deferral account. Baylor's own contribution is always pre-tax. Converting pre-tax deferrals to Roth generally creates taxable income in the conversion year.

5 Confirm when you can withdraw money.

Generally, the university's contributions stay in the plan until you leave, become disabled, retire, or die, and age 59½ permits access to elective deferrals. The plan also describes a limited employer-account benefit from age 55 when moving from full-time to part-time employment; HR and TIAA must confirm eligibility and contract restrictions.

6 Check your beneficiary.

Automatic enrollment sets it to "Estate". The plan generally gives the entire death benefit to a spouse unless the spouse consents in writing to another beneficiary, witnessed by a notary or plan representative. Ask HR to apply the plan's spouse definition to your record.

Connect your benefits to your retirement plans.

The decisions below affect how much you save, what happens when you leave, and which benefits your family may keep. Start with the rows that apply to your retirement plans.

If the goal is...	The planning priority is...	The risk of waiting is...
Choosing your contribution	Compare your deferral with household goals and cash needs	A default election may not reflect your circumstances
Saving beyond the 403(b) limit	The 457(b) as a second bucket, with its payout rules understood first	Ordinary annual room expires; the special final-three-year catch-up can recover eligible unused prior room
Retiring between 55 and 65	Retiree status, the pre-65 HRA, and the Medicare calendar	A different retiree category can mean different benefits; Honorary Retiree has limited continuation options
A spouse's or child's Baylor degree	The tuition remission schedule and which parts of it the IRS taxes	Leaving before retirement ends the benefit at the end of the semester
Leaving for another employer	The 457(b) election inside 60 days, and the vacation payout cap	A lump sum may overlap with salary or other income in its payment year
Keeping it simple	One fund tier, one beneficiary check, one annual review	The defaults (3%, target date, "Estate") become the plan

Confirm your retiree category before relying on continued benefits.

Retiree I generally requires age 55 and ten continuous full-time years, subject to HR's policy review. Honorary Retiree generally requires age 55 and more than five but fewer than ten continuous full-time years, or ten continuous years in a regular part-time position. Honorary Retirees who had medical/dental coverage as employees may apply to continue it for up to 18 months, subject to conditions; the category does not include the HRA or family tuition benefit. At 65+, the published HRA is \$2,640 for Retiree I and \$3,900 for grandfathered retirees, with opt-in and Medicare Supplement/Advantage enrollment through Via Benefits required. Benefits can change; HR determines classification.

Situations that may need a closer look.

The maximum saver.

For 2026 the IRS lets you defer \$24,500 to the 403(b) and a separate \$24,500 to the 457(b), plus an \$8,000 catch-up in the 403(b) at ages 50–59 or 64+ (\$11,250 instead at ages 60–63), based on age at year-end. If your 2025 Baylor wages subject to Social Security tax were above \$150,000, the IRS requires the catch-up to be Roth.

The employee at 58 with 12 continuous full-time years.

Confirm Retiree I classification with HR. The published pre-65 HRA is \$2,640 annually for retiree-only coverage, up to \$7,920 with spouse and children, and requires opt-in. Active medical ends at month-end. Arrange coverage until Medicare eligibility; retiring at 58 does not by itself make you eligible for age-based Medicare.

The employee leaving for another university.

The 457(b) normally starts payments 60 days after separation unless a later-start election reaches Baylor within that window. Payment form is a separate election: lump sum, periodic payments, or both; a lump sum is the default without a timely election. If a first delay election was timely, one further postponement is permitted before payments begin. Eligible staff vacation pays out only to a service-based cap. Family tuition generally ends with the semester unless an exception applies.

The household with a student at Baylor.

Eligible full-time employees generally need one year of service before family remission. For hires on or after July 1, 2003, a spouse's rate rises from 50% to 100% over three years and a child's from 20% to 100% over five. Earlier hires have a different schedule. Program and degree restrictions apply; family graduate remission is taxable, while undergraduate exclusions depend on qualifying spouse/dependent status.

The household with most savings in the plan.

Review investment choices, payout terms and costs. The managed-account service charges 0.30% annually; CAPTRUST and TIAA also provide plan advice at no additional cost.

Mistakes to check for before you retire.

Check these items against your own records before choosing a retirement date or submitting account elections.

Decision mistakes

- Leaving your own deferral at the 3% default, or at zero, without checking it against your goals.
- Leaving at 54, or after nine continuous full-time years, without checking whether waiting would meet the Retiree I test for the HRA and family tuition.
- Letting the 457(b) pay out as a lump sum because no election was made inside the 60-day window.
- Overlooking prior employee enrollment requirements for retiree dental or vision, or cancelling coverage, which Baylor treats as permanent.

Planning mistakes

- Missing the 30-day window for the prior-university-service form.
- Missing the Medicare enrollment window when eligible. Baylor's checklist calls for Part B enrollment 90 days before retirement; confirm how the checklist and Medicare enrollment rules apply to your dates.
- Carrying staff vacation hours above the payout cap into a separation.
- Counting on extra catch-up contributions before HR or TIAA confirms that your plan offers them and that you qualify.

Keep a record of your elections

Ask HR or TIAA to confirm deadlines that apply to you. Keep copies of submitted forms and confirmation of any changes.

Taxes and rules that shape the plan.

Review possible withdrawals and account changes with your tax professional before making an election. Baylor HR or TIAA can confirm the plan limits and options available to you.

Tax items to evaluate

Pre-tax or Roth deferrals

In-plan Roth conversion

457(b) payouts as ordinary income

Roth catch-up rule above \$150,000

Graduate tuition remission as income

HSA contributions

Medicare Part B

No Texas income tax

Rules to confirm

Eligibility date

Prior-service form

457(b) 60-day election

Retiree status test

HRA opt-in

Vacation payout cap

Beneficiary on file

Compensation cap (\$360,000 in 2026)

Consider taxes alongside your spending needs

Compare the money available after taxes with what you need to spend. A lower tax bill alone does not tell you whether a withdrawal or retirement date suits your circumstances.

Contribution limits also depend on includible compensation and other plan contributions. The 403(b) annual-additions limit is the lesser of \$72,000 or 100% of includible compensation, excluding qualifying age-based catch-ups. The 457(b) has a separate compensation limit and a special catch-up during the three years before its normal retirement age (65, or an elected age from 65 to 72), subject to unused prior limits. Confirm available room with payroll/TIAA.

Also avoid assuming the rules are the same for everyone at Baylor. Employees hired before July 1, 2003 have a different family tuition schedule, retirees who reached 55 with 20 years of service as of May 31, 2007 receive a larger HRA after 65, and postdoctoral fellows and postdoctoral research associates hired or rehired after September 30, 2019, student workers, and certain other excluded employees do not receive university contributions.

When it may be worth getting help.

Some account questions can be answered directly by HR or TIAA. An advisor can help when you need to compare the effect of several choices on your retirement income. Mark the situations below that apply to you.

- | | |
|---|--|
| ☐ Your own deferral is still at the 3% default , or at zero. | ☐ A spouse or child is using tuition remission, or plans to. |
| ☐ You came to Baylor from another college or university and never filed the prior-service form. | ☐ You are 50 or older with prior-year Baylor wages subject to Social Security tax above \$150,000. |
| ☐ You are within a few years of 55, or of ten years of service , and thinking about a date. | ☐ You are choosing between pre-tax and Roth , or considering an in-plan conversion. |
| ☐ You hold a 457(b) balance and a move or a retirement is in view. | ☐ Your beneficiary still reads " Estate ". |
| ☐ The Baylor plan is most of your household savings and nobody has designed the withdrawals. | ☐ You plan to retire before 65 and need coverage until Medicare. |

Prepare for the conversation

Bring your account statements and the questions you have marked. Ask HR or TIAA to confirm any benefit or account terms you are unsure about.

Before you change anything, be able to answer these.

Use this checklist to identify missing information. Add unanswered questions to the worksheet before you speak with HR, TIAA, or your advisor.

- ☐ What is Baylor contributing to me now, in dollars a year?
- ☐ What am I contributing, and is that number chosen or defaulted?
- ☐ When did, or when will, the university contribution start for me?
- ☐ Pre-tax or Roth, and why?
- ☐ How much 403(b) and 457(b) room do I have left for 2026?
- ☐ What withdrawal rules apply to each account, and which details do I need HR or TIAA to confirm?
- ☐ Who is my beneficiary on each account?
- ☐ If I left this year, what would the 457(b) do, and what would vacation pay out?
- ☐ Do I meet the retiree test, and on what date?
- ☐ How would I cover health insurance from that date until Medicare?
- ☐ Is anyone in my household using, or planning to use, tuition remission?
- ☐ Who needs to be involved before I act? HR, TIAA, my tax professional, my advisor.

Plan how your savings will support retirement.

At Winnacle Wealth, we help you compare the income available from your accounts and Social Security with the spending your retirement needs to support. We can work through withdrawal choices and coordinate questions with your tax professional. Baylor HR and your plan provider must confirm your benefits and account terms.

Questions we can work through with you

- What should my own deferral be, given Baylor's contribution and what the household needs?
- Where does the 457(b) fit, and what happens to it when I leave?
- Which date meets the retiree test, and what does it set for health coverage and tuition?
- How do the Baylor accounts, Social Security, and other savings fit into one income timeline?
- What should be coordinated with HR and TIAA before anything is filed?
- Pre-tax or Roth, this year and in retirement?

How we organize the review

- 1 Gather your benefit records.**
Both TIAA accounts, the 457(b), eligibility date, service years, beneficiaries.
- 2 Review your contribution rate.**
Your own deferral against household goals, with the 2026 limits and the Roth rule in view.
- 3 Review your retirement timeline.**
The retiree test, the HRA, Medicare, tuition, and the 457(b) window on one calendar.
- 4 Write the decision down.**
What we change, when, and why.

Your next step.

Use the worksheet to collect your account information, possible retirement dates, and remaining questions. Confirm the benefits you expect to keep before making a decision. If you would like help comparing your choices, book a Right Fit Call to discuss your situation and see whether Winnacle's approach fits your needs.

A practical conversation can help clarify

- Which of your elections are still on their defaults.
- What to request from HR and TIAA: your entry date, service record, retiree category, and 457(b) election deadlines.
- Which decisions need your spouse or family in the room.

Book a Right Fit Call

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Plan figures reflect Baylor University's published plan documents and IRS figures for 2026 and are subject to change; Baylor's plan documents and TIAA produce the only binding figures for your account. Baylor University is referenced only to identify the audience this guide is written for. Winnacle Wealth is not affiliated with, endorsed by, or sponsored by Baylor University, TIAA, or CAPTRUST.

Planning worksheet.

My salary

Baylor's 8% in dollars

My own deferral (% and dollars)

Pre-tax / Roth

My eligibility date

Years of continuous full-time service

Age 55 date

My accounts

☐ 403(b) employer ☐ 403(b) employee ☐ 457(b) ☐ Other

Dates I might leave (up to three) and what each sets

☐ retiree status ☐ HRA ☐ tuition ☐ 457(b) window

My near-term cash needs

☐ Health coverage to Medicare ☐ Taxes on a 457(b) payout ☐ Tuition ☐ Other

Questions I need answered before I change anything

My written decision