

TSA Deferring Leave Payouts



Employees who are retiring or leaving employment can contribute a portion of their final payout and leave payouts into the Tax-Sheltered Annuity (TSA) 403b Plan, within IRS limits. You have the flexibility to make traditional before-tax and/or Roth after-tax contributions.

Employees must have an active **Voluntary TSA 403b** account with TIAA and/or Fidelity or have established an account by enrolling through TIAA and/or Fidelity. To open an account, you must navigate to the [Retirement@Work](#) website to make your election.

Please note:

- The Alternative Retirement Plan 403b does not count toward eligibility for the TSA deferral, you must be enrolled in the Voluntary TSA 403b plan.
- When opening an account through [Retirement@Work](#), the amount elected is for biweekly deductions only. To defer your sick/annual leave payout, you must complete the TSA Leave Deduction Agreement prior to your separation date.

2025 Contribution Limits

Governed by sections 415 and 402(g) of the internal revenue code, the maximum annual deferral for 2025 is \$23,500. An additional \$7,500 is permitted for those age 50 and over for an annual total of \$31,000. For individuals who attain age 60, 61, 62, 63 in 2025 the catch-up contribution amount is \$11,250 for an annual total of \$34,750.

Employees are permitted to use age 50 catchup for the 403b and the 457 in the same year.

To view more details of the plan navigate to www.passhe.edu/enrolltsa

TSA Vendors and Investments

Making Your Election

Employees should ask their payroll/human resources for an estimated leave payout amount to help calculate how much they may be able to defer. Any questions about your TSA account or eligible amounts to deferred should be directed to your TSA vendor representative.



- ▶ Employees who do not have an existing account need to establish a Voluntary TSA 403b account with TIAA and/or Fidelity.



- ▶ Submit your completed [TSA Leave Deduction Agreement](#) directly to tsadeferral@passhe.edu or by fax to 717-720-4162. To make sure enrollment and forms are received, it is recommended to complete the process 30 days in advance of your retirement date.

