



LOYOLA UNIVERSITY MARYLAND

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Loyola University Maryland Retirement Plan 403(B) Employer Contribution Update

Beginning July 1, 2026, the employer contribution will move to a tiered structure based on completed plan years of service. The employee's required minimum 2% contribution remains unchanged.

What's Changing?

- Eligible employees with 0 – 5 completed plan years of service will receive a 5% employer contribution
- Eligible employees with more than 5 completed plan years of service will receive a 7.25% employer contribution (increase from 5%)
- Years of service (YOS) for contribution purposes are measured annually using plan years (July 1 – June 30), rather than individual hire anniversary dates

What Does This Mean for You?

- If you have 5 or fewer completed plan years of service on July 1, 2026, your employer contribution will be 5%
- If you have more than 5 completed plan years of service on July 1, 2026, your employer contribution will be 7.25%
- Employees move to the 7.25% employer contribution effective the July 1 measurement date in which they enter their 6th plan year of service

Eligibility Timeline Examples

Years of service (YOS) for contribution purposes are measured annually using plan years (July 1 – June 30), rather than individual hire anniversary dates. Employees move to the next contribution tier only on a July 1 measurement date, even if their hire anniversary occurs earlier in the year.

Example 1: New Employee

- Hire Date: June 15, 2026
- July 1, 2026 – June 30, 2027: Plan Year 1 = 0% (not yet eligible)
- July 1, 2027 – June 30, 2028: Plan Year 2 = 5%
- July 1, 2028 – June 30, 2029: Plan Year 3 = 5%
- July 1, 2029 – June 30, 2030: Plan Year 4 = 5%
- July 1, 2030 – June 30, 2031: Plan Year 5 = 5%
- July 1, 2031: Begins Plan Year 6 = 7.25%

Example 2: July 1 Hire Date

- Hire Date: July 1, 2025
- July 1, 2025 – June 30, 2026: Plan Year 1 = 0% (not yet eligible)
- July 1, 2026 – June 30, 2027: Plan Year 2 = 5%

- July 1, 2027 – June 30, 2028: Plan Year 3 = 5%
- July 1, 2028 – June 30, 2029: Plan Year 4 = 5%
- July 1, 2029 – June 30, 2030: Plan Year 5 = 5%
- July 1, 2030: Begins Plan Year 6 = 7.25%

Example 3: July 2 Hire Date

- Hire Date: July 2, 2025
- July 1, 2025 – June 30, 2026: Plan Year 1 = 0% (not yet eligible)
- July 1, 2026 – June 30, 2027: Plan Year 2 = 5%
- July 1, 2027 – June 30, 2028: Plan Year 3 = 5%
- July 1, 2028 – June 30, 2029: Plan Year 4 = 5%
- July 1, 2029 – June 30, 2030: Plan Year 5 = 5%
- July 1, 2030: Begins Plan Year 6 = 7.25%

Example 4: Mid-Year Milestone

- Hire Date: December 4, 2023
- July 1, 2024 – June 30, 2025: Plan Year 1 = 0% (not yet eligible)
- July 1, 2025 – June 30, 2026: Plan Year 2 = 5%
- July 1, 2026 – June 30, 2027: Plan Year 3 = 5%
- July 1, 2027 – June 30, 2028: Plan Year 4 = 5%
- July 1, 2028 – June 30, 2029: Plan Year 5 = 5%
- July 1, 2029: Begins Plan Year 6 = 7.25%

Example 5: Currently More than 5 Years of Service

- Hire Date: May 10, 2019
- July 1, 2025 – June 30, 2026: Final plan year in the 5% contribution tier
- July 1, 2026: Begins Plan Year 6 = 7.25%

Example 6: Service Waiver Employee (Immediate Eligibility)

- Hire Date: January 1, 2026
- July 1, 2026 – June 30, 2027: Plan Year 1 = 5% (prior eligible experience grants immediate participation)
- July 1, 2027 – June 30, 2028: Plan Year 2 = 5%
- July 1, 2028 – June 30, 2029: Plan Year 3 = 5%
- July 1, 2029 – June 30, 2030: Plan Year 4 = 5%
- July 1, 2030 – June 30, 2031: Plan Year 5 = 5%
- July 1, 2031: Begins Plan Year 6 = 7.25%

The examples provided are for illustrative purposes only and are based on sample hire dates. Individual eligibility, contribution levels, and transition timing will vary depending on each employee's actual hire date and completed plan years of service as measured under the plan's provisions. Contact people-culture@loyola.edu if you have questions about your service years or eligibility.