

Texas Christian University Benefit Changes
Approved Changes effective June 1, 2020 and January 1, 2021

FAQ's

4/20/2020

Q. What is the current TCU retirement contribution rate?

A. The current TCU retirement contribution rate is 11.5%. Employees hired prior to June 1, 2020 will continue to receive 11.5% including those currently in the two-year waiting period once they reach the effective date.

Q. What if I begin employment on May 31, 2020, what is my retirement contribution?

A. Employees with a hire date prior to June 1, 2020 will receive 11.5% retirement contribution rate on their respective eligibility date (awaiting the two-year waiting period).

Q. If I am a new employee, what is my retirement contribution (After June 1, 2020)?

A. Employees hired on or after June 1, 2020, are eligible for the 8% university retirement contribution beginning their first day of employment. The new benefit includes a 5-year vesting schedule.

Q. What is a vesting schedule?

A. A vesting schedule is a retention program for employees regarding their retirement contribution benefit. To be fully vested in the TCU Employee Retirement Program, an employee must remain employed for five years.

Q. When are the changes to retiree health benefits effective?

A. Changes will be effective on January 1, 2021.

Q. Which retirees are affected by the change to the retiree health benefits?

A. Current TCU retirees and their eligible dependents (VIA benefits only).

Q. What changes are being made to the retiree health benefits?

A. Current and future TCU retirees who are currently age 45 (or will be as of January 1, 2021) or older are eligible upon retirement to receive a monthly HRA contribution of \$225 per month (\$2,700 annually) to their Health Reimbursement Account (HRA) along with their eligible dependents.

Q. What is the difference between a defined benefit and a defined contribution plan?

A. The basic difference between a defined benefit and a defined contribution plan is a defined benefit plan provides a specified payment amount for retirement based on a combination of age and years of service; and a defined contribution plan allows employees to elect investment options for their contributions.

Q. Who is eligible to participate in the defined contribution plan?

A. Employees under age 45 as of January 1, 2021 may only participate in the defined contribution plan wherein both TCU and the employee contribute HRA funds towards future retiree medical cost. Employees age 45 or older as of January 1, 2021 are eligible to remain in the defined benefit plan OR elect to enroll in the defined contribution plan and start receiving/making contributions immediately.