



LCRA Student Loan 401(k) Contribution Program

FREQUENTLY ASKED QUESTIONS

WHAT IS THE PURPOSE OF THIS PROGRAM?

Having to choose between paying off student debt or saving for retirement is a common challenge. This program administered by Fidelity, LCRA's 401(k) plan administrator, allows you to work toward paying off your student loan(s) while not missing out on LCRA's contribution to your 401(k). You can focus on paying off your student debt, and LCRA will use your loan payments to calculate an employer contribution to your 401(k) without you needing to personally contribute.

AM I ELIGIBLE?

You are eligible to participate in the program as long as you meet the following requirements:

- **You are an LCRA employee.** Temporary and contract workers are not eligible.
- **You have a valid student loan in your name.**

HOW IS THE EMPLOYER CONTRIBUTION CALCULATED?

LCRA's employer contribution is based off your total payments toward approved student loans as well as optional, personal contributions to your 401(k) account.

WHAT IS THE MAXIMUM 401(K) CONTRIBUTION LCRA WILL MAKE EACH YEAR?

LCRA's maximum contributions as part of this program mirror those under your LCRA 401(k) plan. To review your maximums, visit the [My Retirement Plan](#) page under Benefits and Perks on Inside LCRA.





WHAT IS CONSIDERED A VALID LOAN BY FIDELITY?

Your loan is considered valid if it satisfies all of the following requirements:

- The loan was taken out in your name and used to pay for your higher education, or the loan was taken out in your name and used to pay for someone else's education, such as your child or another family member.
- The loan was used for higher education at an educational institution with accreditation recognized by the US Department of Education or, for online universities, accreditation by recognized accreditation agencies.
- The loan is a federal or private student loan serviced by a conventional loan servicer.
- The loan was issued within the United States.
- Refinanced or consolidated student loans are eligible, provided they're still classified as student loans and your name is on the loan.

HOW DO I ENROLL? DO I NEED TO RE-ENROLL EACH YEAR?

Enrollment in this program takes place through the [Fidelity NetBenefits® site](#). Fidelity manages program enrollment, loan payment validation and calculating LCRA's contribution to your 401(k) account.

As part of the initial validation process, you will register your loans on the Fidelity NetBenefits® site, providing your login information for each loan servicer's website. You may register additional loans at any time, including during the plan year.

Effective Jan. 1, 2024, once you are enrolled, your enrollment will carry over from year to year.

DOES PARTICIPATION IN THIS PROGRAM AFFECT MY VESTING?

No. You are always 100% vested in your contributions to your 401(k) plan, as well as any earnings on them. You will be 100% vested in all LCRA matching contributions to your 401(k) plan, and any returns earned on them, after three years of service.

WHEN DOES LCRA MAKE ITS CONTRIBUTION TO MY 401(K)?

LCRA will make a lump sum contribution to your 401(k) account following the end of the program year.

If you continue to contribute to your 401(k) on top of making your student loan payments, you will continue to receive the bi-weekly employer match.

IF I GO ON LEAVE DURING THE PROGRAM YEAR, IS MY PARTICIPATION IN THE PROGRAM PAUSED?

No, your participation in the program continues while you are out on leave.

WHAT HAPPENS IF I LEAVE LCRA DURING THE PROGRAM YEAR?

Per the 401(k) plan document, if you term employment with LCRA, you will not receive the non-elective contribution for that program year. Only those who retire (Plan A/B) will be eligible to receive the non-elective contribution.

WHAT IF THERE ARE CHANGES TO MY LOANS' ELIGIBILITY DURING THE PROGRAM YEAR?

You are responsible for immediately notifying Fidelity of any changes in loans registered with this program that would result in the loan becoming ineligible. Failure to do so, or any fraud or misstatements during the program enrollment process, could result in repayment requirements or other potential adverse employment actions.

WHO CAN I CONTACT WITH QUESTIONS?

You must evaluate your financial situation to decide if this program is the right financial move for you. If you have general questions about the program or the Fidelity NetBenefits® site, please reach out to Fidelity's student debt phone line at 866-711-0350.

