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To: HR Newsletter Distribution; Office of Human Resources
Cc: Ask HR
Subject: Benefits Update - 1% Required Retirement

There are many benefit events and changes happening this summer. This is one of several updates I'll be sending to you.

This month the new 1% required retirement contribution takes effect. It will appear on paystubs as 403b Required Pre-Tax. The first check affected is July 22 for biweekly, July 29 for monthly.

- Employees who did not make personal contributions will have 1% deducted on a pre-tax basis.
- Employees who already made personal contributions will also have the 1% deducted. But the 1% is not in addition to what they were contributing. Rather, their old retirement contribution percent was reduced by 1% so that the total contribution percentage will be the same.
 - For those who split their contributions between pre-tax and Roth after-tax, we reduced their pre-tax percent by 1%.
 - For those who only contribute to an after-tax Roth, we reduced their Roth election by 1%.

Click [here](#) for our UA Retirement Plan website if you'd like to review earlier communications about this change.

The form to start or change a retirement contribution has been revised. Either select Benefit Forms from the menu at the top of our website or click [here](#) for a direct link to the new form. Please throw away any printed copies of the old form. An easy way to tell you have the new form is to make sure it only shows boxes A, B and C. The old, discontinued form will also show box D. When filling out this form, keep in mind that this is for voluntary contributions only. If you want to get the full 10% University match, put 9% on the form. The 1% required contribution is automatic. UAMS will continue to match your combined voluntary and required contributions over 5% and up to 10%.

Some employees max out their tax-deferred (pre-tax) contributions during the year. This is either due to high compensation or a high percentage contribution. **The 1% required contribution does not count toward the tax-deferred limit**, which is called the 402g limit. This will allow some employees to continue contributing 1% even though their normal voluntary contribution have stopped. While the 1% does not count toward the 402g limit, it does count toward the 415c limit which sets a maximum on all contributions that can be made to a 403(b) plan. Employees aren't required to take action to turn off their contributions when they near either limit. SAP is programmed to monitor both of these limits and turn off contributions when either limit is reached.

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Benefit or Human Resources questions?

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Or visit our web site, www.hr.uams.edu