GENERAL INFORMATION

- Lump sum payments for Faculty pay reduction to current employees
  - 25%, 25% & 50% payments
  - Paid in August 1, 2012, 2013 & 2014 pay periods

- Retirees to be paid balance of lump sum in the next pay period following final pay check.
  - Payroll to process payment changing Retirement/FICA code to N/S.

ELIGIBLE PLANS

- 403(b) Tax Deferred Annuity Program
  - Current faculty and retirees may choose to defer up to maximum contribution limit

- 457 Island Savings Plan
  - Current employees – lump sum deferral possible
  - Retirees - No deferral possible due to Retirement/FICA code on post-separation payment

DEFERRAL PROCESS

- Faculty Member’s Responsibility
  - Coordinate payment date and amount with HR Representative & Investment Advisor/Service Provider
  - Determine maximum contribution amount
    - Maximum contribution limit less contributions for tax year
    - e.g. $22,500 (contribution limit)
    - $18,000 (amount contributed in calendar year)
    - = $4,500 eligible deferral amount
  - Complete and submit 403(b) Salary Reduction Agreement (SRA) or change 457 contribution via online, voice or lump sum deferral form ($5K or more)
  - Change or cancel deferral after lump sum
DEFERRAL PROCESS (CONT)

- HR Representative Responsibility
  - Advise Faculty member of payment amount and expected date of payment
  - Assist with questions

- OHR Responsibility
  - Assist with questions

403(b) DEFERRAL TRANSACTION

- 403(b) Tax Deferred Annuity
  - Complete SRA utilizing Post Separation Vacation or Lump Sum Pay Deferral election submit to National Benefit Services (NBS) for processing
  - SRA available at www.nbsbenefits.com/uh403b
  - Submit SRA to change or cancel contribution for next pay date
  - Follow 403(b) due dates on website

457 DEFERRAL TRANSACTION

- 457 Island Savings Plan
  - $5000 or more, call OHR for guidance
  - <$5000 change deferral online at www.islandsavings.ingplans.com or via call center at (888) 712-5642
  - Change or cancel deferral for next pay date
  - Follow 457 deadlines on website

REMINDEERS

- Faculty members eligible to shelter up to annual contribution limit
  - $17,000 under age 50
  - $22,500 for age 50 and over

- Lump sum sheltering amount limited to annual limit less current year contributions

- Cannot utilize 457 Island Savings Plan to shelter retiree post-separation lump sum pay