2019

TO: University of Cincinnati Employees

RE: 403(b) Required Notice – 2019

The University of Cincinnati offers a supplemental retirement savings plan under Internal Revenue Code (IRC) §403(b) to everyone who receives a UC paycheck. This tax deferred savings opportunity enables faculty, staff, and student employees to use pre-tax payroll deductions to invest for retirement with approved annuity and mutual fund providers.

Enrollment is open at all times to all UC employees, using the University’s Salary Reduction Agreement which can be found at http://www.uc.edu/hr/hraspforms/salaryform.asp. Paper copies of the Salary Reduction Agreement are also available in the Human Resources Department /Payroll Operations on the 3rd floor of University Hall.

Information on supplemental savings opportunities and a listing of approved providers can be found online at http://www.uc.edu/hr. To complete the initial enrollment process, employees are instructed to contact an approved provider to establish an account.

All contributions are made on a pre-tax payroll deduction basis, and are subject to the limit on elective deferrals found in the Internal Revenue Code. That limit is $18,500 for 2018. An additional “catch-up” deferral of up to $6,000 is permitted for individuals age 50 and older. Those employees who turn 50 at any time during the tax (calendar) year may, therefore, defer up to $24,500 per year for investment in this plan.

Please note that UC Flex, the University’s HR/Payroll system, will stop §403(b) plan deductions from pay at the legal limit, properly considering an employee’s age. The limit, however, is imposed by tax law on the individual taxpayer, so employees making contributions with more than one employer must limit their deferral authorizations.

Also note that UC’s “grandfathered” retirement plan with TIAA-CREF/Fidelity/Vanguard (for those participating in the plan since prior to 7/1/1977) is an IRC §403(b) plan. This means that for those few employees only, deferrals to their basic retirement plan combine with supplemental savings plan deferrals subject to the above limits. UC Flex will automatically stop deferrals if a requested supplemental deferral causes the total to reach the applicable limit. NONE of UC’s state retirement plans (STRS, OPERS, or the ARPs) are subject to the elective deferral limit.