HUMAN RESOURCES
SAM HOUSTON STATE UNIVERSITY

An important message from your friends in SHSU Human Resources

To: Employees participating in the 403(b) Optional Retirement Program (ORP) and/or a 403(b) Supplemental Retirement Program (SRP)

Subject: IRS requirement for employees to report outside retirement contributions; and maximum exclusion reminder notice

Employees must report to their employer all outside retirement contributions to a qualified plan, Keogh, and simplified employee pension (SEP) plan.

The IRS sets a contribution limit on the amount that may be contributed by an individual and their employer into a 403(b) plan. This limit is referred to as the 415(c)(1)(A) limit.

The maximum combined contribution limit (ORP and TDA/TSA) for 2014 is $52,000 (with an additional $5,500 catch-up provision for supplemental retirement plan contributions allowed for participants that are over age 50).

This limit is to include an aggregation of contributions on behalf of an employee into all plans they participated in during a calendar year. This includes all of the employers you may have worked for during the year that had a 403(b) plan, and any self-employment plans. Self-employment plans refer to anyone who is a 50% owner or has more than 50% control of a corporation, partnership, or sole proprietorship; and is a sponsor of a qualified plan, Keogh, and/or a simplified employee pension (SEP) plan. Constructive ownership and family attribution rules apply. Individual Retirement Accounts (IRA) and money deducted from your SHSU paycheck to an approved SHSU 403b plan program vendor does not apply as a self-employment plan.

If you made or had made on your behalf any contributions to another retirement plan as described above, please inform Human Resources by email or in writing each year. We need to be advised of all amounts contributed and the name of the company plan where the contribution was made so a 415 aggregation test for you can be applied. Thank you for your assistance with this requirement.

This is also a reminder to all SRP participants that the last paycheck received during this calendar/tax year will be the December 15th paycheck. If you plan to increase your SRP contributions to the level of your 2014 maximum exclusion allowance, please contact Dana Grafton (ext. 4-2331) or Cindy Balusek (ext. 4-4415) as soon as possible to process the change by completing a Salary Reduction Agreement prior to November 15th.

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