

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

Subject: IRS changes require employees to report outside retirement contributions

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 2011 is \$49,000 (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 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 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's, 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.

Cynthia Bennett
Associate Director
Human Resources Department
Sam Houston State University
Box 2356, Huntsville, TX 77341
Voice (936) 294-1064
Fax (936) 294-3611
Email: hrd_cab@shsu.edu

Sam Houston State University / A Member of The Texas State University System