

# Sam Houston State University Human Resources

## Maximum Exclusion Allowance (MEA)

Optional Retirement Program (ORP) and Supplemental Retirement Program (SRP)

### 403(b) Tax-Deferred Account

Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Department: \_\_\_\_\_

Hire Date: \_\_\_\_\_ Phone Number: \_\_\_\_\_

For Tax Year: \_\_\_\_\_ Calculation Effective Date: \_\_\_\_\_ ORP%:  6.0 % or  8.5 %

1. Gross salary with employer for the calendar year (before any reductions) to which this calculation applies: base salary + projected summer contracts, known salary increases, longevity pay, hazardous duty pay, etc. \_\_\_\_\_
2. Other compensation (bonuses, augmentations, awards, allowances, etc.) not subject to retirement contributions for the applicable calendar year. \_\_\_\_\_
3. Employee's sheltered retirement contribution for current calendar year (6.65 % of #1 if ORP; 6.4 % of #1 if TRS). For employees hired on or after 9/1/96, the percentage is of the first \$245,000 of gross salary. \_\_\_\_\_
4. Total gross annual salary: #1 + #2 - #3 \_\_\_\_\_
5. Years of service completed with current employer through Dec. 31 of the year for which this calculation applies. (Not less than 1 year) \_\_\_\_\_
6. If employee is in ORP, total contributions in the calendar year for which this applies. \_\_\_\_\_ ORP Enrollment Date
  - a. For employees enrolled in ORP prior to 9/1/95, 15.15% times #1. \_\_\_\_\_
  - b. For employees enrolled in ORP between 9/1/95 and 8/31/96, 12.65 % times #1. \_\_\_\_\_
  - c. For employees enrolled in ORP on or after 9/1/96, 12.65% times the lesser of #1. \_\_\_\_\_
  - d. For employees enrolled in ORP on or after 9/1/07, 13.23% times the lesser of #1 or \$245,000. \_\_\_\_\_
  - e. For employees enrolled in ORP on or after 9/1/11, 12.65% times the lesser of #1 or \$245,000. \_\_\_\_\_
7. Limitation under 415 (c) (1) (A): \$49,000 - #6 (ORP contributions) \_\_\_\_\_
8. Limitation under 415 (c) (1) (B): #4 (adjusted salary) - #6 (ORP contributions) \_\_\_\_\_

9. a. Limitation under 402 (g): \$16,500 for 2011. \_\_\_\_\_
- b. If employee has more than 15 years of service with this employer:
- b(1). Enter years of service with this employer. (#5). \_\_\_\_\_
- b(2). Years of service b(1) x \$5,000. \_\_\_\_\_
- b(3). Enter all prior elective tax-sheltered amounts \_\_\_\_\_
- b(4). b(2) minus b(3) but not less than zero. \_\_\_\_\_
- b(5). Enter the lesser of: b(4); \$3,000; or \$15,000  
         reduced by prior amounts not included in gross  
         income for prior taxable years by reason of the  
         402 (g) Additional Limitation. \_\_\_\_\_
- b(6). 402 (g) Additional Limitation: #9a + b(5) above \_\_\_\_\_
10. General Limitation: the lesser of #7, #8, or #9 (a or b(6)) \_\_\_\_\_
11. Age 50+ CATCH UP: \$5,500 for 2011 \_\_\_\_\_
12. Maximum Elective Deferral: #10 + #11 \_\_\_\_\_
13. Less elective 403(b) & 401(k) contributions made at other  
     schools and employers this calendar year (#12 – #13) \_\_\_\_\_
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These worksheets are based on information available at this time for implementation of Section 403(b) and Section 415 of the Internal Revenue Code. These formulas include changes made by the Taxpayer Relief Act of 2001.

I have been informed concerning, and agree to, the following conditions:

1. That my election will be subject to retroactive opinions and rulings issued and to be issued by Internal Revenue Service affecting Section 403(b) and Section 415 of the Internal Revenue Code.
2. Any change in interpretation of applicable sections on the Internal Revenue Code may require recalculation of my Maximum Exclusion Allowance and a change in the amount and/or tax status of monies deposited under provisions of that Code.
3. In the event of any adverse ruling by the Internal Revenue Service regarding the calculation of my Maximum Exclusion Allowance, I agree to abide by such ruling and agree that my employer has my permission to make such adjustments in the amount of my MEA as are deemed necessary for compliance with such rulings, and that I will be responsible for any tax liability, and hold harmless the University and System including their Representatives.
4. 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 to include an aggregation of contributions on behalf of an employee into all plans they participated in during a calendar year. This limit is referred to as the 415 (c) (1) (A) limit.

**Employee Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Agent/Company Representative Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_