

Supplemental Retirement Benefits

Retirement Savings Program Notice of Eligibility for the 403(b) Plan

In addition to your primary retirement benefits, you should consider saving additional money to prepare for retirement. The supplemental UC Retirement Savings Program—the 403(b), 457(b), and DC Plans—provide three options to help you build additional retirement savings to augment your primary UC retirement benefits, Social Security, and other non-UC retirement income.

Universal Availability Notice

All employees of UC and Hastings College of the Law—except students who normally work fewer than 20 hours per week—are eligible to participate in the UC Tax-Deferred 403(b) Plan. The 403(b) plan features most closely resemble a 401(k) plan. Key differences among the options include when you can access your funds without a penalty and tax treatment of contributions and earnings. You can participate in all of the plans as long as you do not exceed the IRS limits.

Deferrals Limited by Compensation

The most you can contribute to the 403(b) plan under tax law rules is the lesser of:

1. 100% of your includible compensation, or
2. the elective deferral limit of \$20,500 in 2022.

Elective Deferral Limit

Thus, generally, the maximum amount you can defer (including pre-tax and Roth contributions) to the 403(b) plan (not including 457(b) plans) is \$20,500 in 2022.

Catch-Up Contributions

Two catch-ups are also available which may raise the limit if you qualify:

Age 50 Catch-Up: The limit for employees age 50 and older is increased by \$6,500 for 2022.

Special Catch-Up: Under the 403(b) plan, your individual limit may be increased by as much as \$3,000 under the 15-year catch-up contribution. The 15-year catch-up is separate from the age-50 catch-up. If you're eligible, your contributions above your annual limit are considered to have been made first under the 15-year catch-up. See the 403(b) Summary Plan Description for more details.

How Much Salary Can You Defer If You're in More than One Plan?

The amount of salary deferrals you can contribute to retirement plans is your individual limit each calendar year no matter how many plans you are in. This limit must be aggregated for these plan types:

- 401(k)
- 403(b)
- SIMPLE plans (SIMPLE IRA and SIMPLE 401(k) plans)
- SARSEP

If you're in the 457(b) plan, you have a separate limit.

Notice Regarding Plan Limits and Plan Aggregation

Under certain conditions, the IRS requires UC 403(b) plan (UC Plan) participants to aggregate or combine voluntary contributions and other amounts contributed to the UC Plan and other “qualified retirement plans” to determine whether they are within the maximum annual contribution limits under the law.

The IRS aggregation rules apply if all of the following conditions are met:

1. you make contributions to the UC Plan,
2. you are “in control” of another company, and
3. the other company maintains a “qualified retirement plan” and makes contributions to your account under that other plan.

If all of the conditions above are met, the Internal Revenue Code requires that the University limit your maximum annual contribution to the UC 403(b) Plan.

What does it mean to be “in control” of another company?

For you to be considered “in control” of another business, you generally must have a significant ownership interest in the other business. For example, if you own 51% of a company that is separate from the University of California, you may be in control of that company. Determining whether you are “in control” of another business under IRS rules can be confusing. Please consult with your tax advisor who may be able to assist you in making this determination.

Example: You are a doctor or professor who participates in the UC Plan and you also own more than 50% of a private practice or consulting business. You are considered to be “in control” of the consulting business.

What types of retirement plans fall within the meaning of a “qualified retirement plan”?

For this purpose, a “qualified retirement plan” includes certain defined contribution plans that receive special tax benefits under the Internal Revenue Code. These include defined contribution plans that qualify under Internal Revenue Code §401(a) (such as a profit sharing plan, 401(k) plan or a money purchase pension plan), another 403(b) plan, or a simplified employee pension (SEP) plan.

What is the maximum annual contribution limit?

The maximum annual limits are below. This annual limit is subject to change each year. However, certain participants (such as those who are at least age 50) may have a higher limitation, if provided for under the 403(b) Plan.

2022 Plan Year – Annual Limit \$61,000

What amounts are counted for purposes of determining whether you exceed the maximum annual contribution limit?

The following amounts are counted towards the maximum annual contribution limit:

- Employer contributions (including matching contributions and SEP contributions)
- Salary deferrals including Roth
- After-tax contributions
- Certain other amounts allocated to your account (this does not include earnings or rollover amounts)

Notice of Participant Responsibilities

Participants are responsible for monitoring account activity regularly for accuracy (e.g., deposits of your contributions), updating contact and beneficiary information.

Contribution limits are specific to you, the Plan participant and taxpayer. If you participate in another company’s or organization’s retirement plan in addition to participating in UC’s Plan, please note:

- 403(b) Elective Deferral Limits described above apply to your total deferrals to all 403(b), 401(k), and SARSEP plans in which you participate.
- If you control a company or an organization sponsoring a qualified defined contribution plan, all contributions made to that plan on your behalf must be aggregated or combined with any 403(b) contributions made to the UC Plan for the annual contribution limit (this applies to the aggregate of elective deferrals and employer contributions; the annual contribution limit is \$61,000 in 2022).
- Note: 457(b) plan contributions do not need to be aggregated with 403(b) plan contributions for limit consideration.

Example - The following example illustrates the application of the annual contribution limit when a 403(b) plan contributions are aggregated with a defined contribution plan.

University provides a 403(b) plan covering all employees. The 403(b) plan provides that an employee may elect to defer up to the \$20,500 dollar limit and, if applicable, may use the Age 50 Catch-Up and the special catch-up limit for long-term employees.

Professor May has been found to control her own separate businesses. Professor May's business sponsors a defined contribution plan to which contributions on behalf of the professor have been made.

For 2022, Professor May elected to defer the maximum 403(b) dollar amount of \$20,500 and to use the Age 50 Catch-Up equal to \$6,500. Because Professor May has only five years of service with University, she does not qualify for the special catch-up limit.

In 2022, Professor May contributed \$27,000 (\$20,500 plus \$6,500) to Plan Z, a defined contribution plan sponsored by her consulting business that she controls. In addition, the consulting business made a \$30,000 nonelective contribution to Professor May's defined contribution plan account. Each plan, by itself, satisfies the IRS limits. But, in aggregate, as a result of the contribution amounts made to the 403(b) plan and Plan Z, the University 403(b) plan is deemed to exceed the annual contribution limit by \$10,000. The 403(b) plan must reduce Professor May's deferrals by \$10,000 to \$10,500.

For more details, please see the [Complete Guide to Your UC Retirement Benefits](#) booklet or the [Summary Plan Descriptions](#). If you have questions, call Fidelity® Retirement Services at **1-866-6UC-RSVP** (1-866-682-7787).

Please contact the University/Plan Administrator to review whether or not you have exceeded your maximum annual contribution limit by calling the UCPath Center Monday – Friday, 8 a.m. – 6 p.m., at 855-982-7284. ***Failure to provide the Plan Administrator with certain necessary and correct information may result in adverse tax consequences, including your inability to exclude the amounts contributed to the UC Plan from your taxable income.***

Supplemental Retirement Benefits

Retirement Savings Program Notice of Eligibility for the 457(b) Plan

In addition to your primary retirement benefits, you should consider saving additional money to prepare for retirement. The supplemental UC Retirement Savings Program—the 403(b), 457(b), and DC Plans—provide three options to help you build additional retirement savings to augment your primary UC retirement benefits, Social Security, and other non-UC retirement income.

Eligibility to Participate

All employees of UC and Hastings College of the Law—except students who normally work fewer than 20 hours per week—are eligible to participate in the UC 457(b) Deferred Compensation Plan. You can participate in all of the plans as long as you do not exceed the IRS limits.

Deferrals Limited by Compensation

Under the 457(b) plan, annual contributions and other additions (excluding earnings) to a participant's account cannot exceed the lesser of:

1. 100% of your includible compensation, or
2. the elective deferral limit of \$20,500 in 2022.

Elective Deferral Limit

Thus, generally, the maximum amount you can defer to the 457(b) plan (not including 403(b) plans) is \$20,500 in 2022.

Catch-Up Contributions

Two catch-ups are also available which may raise the limit if you qualify:

Age 50 Catch-Up: The limit for employees age 50 and older is increased by \$6,500 for 2022.

Special Catch-Up: For the 457(b) plan, a special catch-up provision allows eligible participants to make additional contributions in one or more of the three consecutive years ending before the year of the participant's elected retirement age. See the 457(b) plan Summary Plan Description for additional details.

If you're in the 403(b) plan, you have a separate limit.

Notice of Participant Responsibilities

Participants are responsible for monitoring account activity regularly for accuracy (e.g., deposits of your contributions), updating contact and beneficiary information.

457(b) plan contributions do not need to be aggregated with 403(b) plan contributions for limit consideration.

For more details, please see the [Complete Guide to Your UC Retirement Benefits](#) booklet or the [Summary Plan Descriptions](#). If you have questions, call Fidelity® Retirement Services at **1-866-6UC-RSVP** (1-866-682-7787).

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