

Section: COMPENSATION
Subject: Retirement Contributions
Number: HR 3530

I. Institutional Regulations

- A. Employer and employee contributions to the Iowa Public Retirement System (IPERS) or the Teachers Insurance Annuity Association - College Retirement Equities Fund (TIAA-CREF) are mandatory for eligible employees.
- B. Regular employees may elect to contribute a portion of their wages to a tax deferred retirement plan. Adjunct and Temporary employees may elect to participate in a tax deferred retirement plan with a minimum contribution of \$25 per pay.

II. Procedure

A. IPERS/TIAA-CREF

- 1. An employee eligible to participate in either IPERS or TIAA-CREF is:
 - a. A Regular employee;
 - b. A Temporary employee paid \$1,000 or more in two consecutive quarters;
 - or
 - c. An Adjunct employee hired other than on a term basis, such as Academic Achievement Center, ABE/GED, etc.
- 2. An employee shall have 60 calendar days from his/her eligibility date to make a retirement plan election. If the employee fails to make an election by the required date, IPERS shall be selected as his/her retirement plan.
- 3. Effective July 1, 2007, the employer shall contribute an amount equal to 6.05% of an employee's annual salary to the employee's retirement plan; the employee shall contribute 3.9% of his/her annual salary. The employee contribution rate shall increase 0.2% each fiscal year until the employee contribution reaches 4.5%. The employer contribution rate shall increase 0.3% each fiscal year until the contribution rate reaches 6.95%. Retirement contributions shall not be withheld from:
 - 1) Lump sum payment of vacation pay for a terminating employee;
 - 2) Lump sum payment(s) for early retirement.
- 4. Employee contributions are before federal and state tax.

B. Tax Deferred Retirement Plans

- 1. An employee may contribute a percentage of his or her annual salary, up to the statutory limit, to a tax deferred retirement plan.
- 2. It shall be the employee's responsibility to arrange for tax deferred retirement plan deductions with Payroll.
- 3. To establish, change, or stop a 403(b) or 457(b) tax deferred retirement plan, an employee shall complete an "Agreement for Salary Reduction Under Section 403(b)" or "Agreement for Salary Reduction Under Section 457(b)" and submit it to Payroll.
 - 1) An employee may start or change a tax deferred retirement plan at any time.
 - 2) Tax deferred 403(b) plans are accepted only from the companies participating in the State of Iowa Retirement Investment Club (RIC).
 - 3) Tax deferred 457(b) plans may only be started with TIAA/CREF.

- 4) An employee must consult his/her company representative to determine the amount of deduction allowed by law and provide certification that these limits are not exceeded.
- 5) Adjunct and Temporary employees may participate in a tax deferred retirement plan with a minimum contribution of \$25 per pay.

APPROVED:



Executive Director, Human Resources

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