

Section: COMPENSATION  
Subject: Retirement Contributions  
Number: HR 3530

I. Institutional Regulations

- A. Employer and employee contributions to the Iowa Public Employees' Retirement System (IPERS) or the Teachers Insurance Annuity Association (TIAA) are mandatory for eligible employees.
- B. Regular employees may elect to contribute a portion of their wages to a tax deferred 403(b) and/or 457(b) or 403(b) Roth retirement plan. Adjunct and Temporary employees may elect to participate in a retirement plan with a minimum contribution of \$25 per pay.

II. Procedure

A. IPERS/TIAA

- 1. An employee eligible to participate in either IPERS or TIAA 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/HiSET, ESL, etc. paid \$1,000 or more in two consecutive quarters.
- 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. The election of a retirement plan is a one-time irrevocable decision for the length of employment with DMACC.
- 3. The employer and employee shall contribute an amount equivalent to the percentages determined by IPERS in accordance with Iowa law. 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 or 403(b) Roth Retirement Plans

- 1. An employee may contribute a flat dollar amount or a percentage of his or her annual salary, up to the statutory limit, to a tax deferred 403(b) and/or 457(b), or 403(b) Roth retirement plan.
- 2. It shall be the employee's responsibility to arrange for retirement plan deductions with Payroll.
- 3. To establish, change, or stop a 403(b) or 457(b) 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 403(b) retirement plan at any time. A 457(b) plan may be started only at the beginning of the month.
  - 2) Tax deferred 403(b) plans and 457(b) plans are accepted only from the companies participating in the State of Iowa Retirement Investment Club (RIC).

- 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 retirement plan with a minimum contribution of \$25 per pay.

APPROVED:

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