

<b>University Enterprises, Inc. Policies and Procedures</b>	<b>Policy No. 118</b>
<b>Section:</b>	Human Resources
<b>Policy:</b>	Deferred Compensation Plans 403(B) and 457
<b>Revised Date:</b>	March 20, 2009

## **Deferred Compensation Plans 403(B) and 457**

University Enterprises, Inc. (UEI) reserves the right to adopt, modify, or terminate any or all of the provisions of the benefit plans for any reason at any time upon the recommendation of the UEI Executive Director and with the approval of the UEI Board of Directors.

### **I. PURPOSE**

To provide a voluntary, individual means for eligible employees to save for retirement on a pre-tax basis.

### **II. SCOPE**

This policy applies to all UEI employees.

### **III. POLICY**

University Enterprises, Inc. administers a tax deferred compensation program for eligible employees who wish to participate. The program is currently available under the provisions of the United States Internal Revenue Code Section 403(b) and 457.

University Enterprises, Inc. assumes no liability or responsibility for the performance outcome(s) of the annuity and/or mutual fund custodial account company or investment options selected by the employee.

Continued compliance with federal and state laws and regulations may require UEI to make changes in the benefits from time to time. When these changes occur, UEI will attempt to notify affected employees.

- A. All UEI employees are eligible to participate.
- B. This is a voluntary program. Only the employee contributes to the program. University Enterprises, Inc. does not contribute. The employee is responsible for any fees associated with each investment offering. Additionally the employee is responsible for tracking maximum contributions, related taxes, investment performance, or any other consequences of contributions to any 403(b) or 457 Plan.

### **IV PLANS**

- A. 403(b)
  1. Eligible employees select and contact a company from UEI's approved list of companies offering annuities and/or mutual fund custodial accounts.
  2. The employee must complete and sign the UEI salary reduction agreement after paperwork initiating an account with an approved company has been completed. Human Resources must receive the signed agreement prior to the start of the pay period for which it is to be effective. Employees must indicate on the salary reduction agreement the amount of their pay to be remitted to the annuity or mutual fund custodial account. Per state and federal income tax

codes, there are limitations on the amount that may be deferred. The selected company's agent and/or Human Resources can provide guidelines on the limitations.

3. No more than one agreement for a 403(b) salary reduction may be made within any taxable year of the employee. Two companies may be listed on the one agreement. The tax year starts with the first paycheck in January that covers the pay period of December 16th through December 31st of the prior year. It ends on the pay period that covers December 1st through December 15th.
4. Employees may change, increase, or decrease their 403(b) annuity and/or mutual fund custodial account contribution no more than four times in any taxable year. If the employee wishes to terminate his or her contribution, the employee should submit appropriate change forms prior to the start of the pay period for which it is to be effective. Forms are available in Human Resources.

**B. 457**

1. To participate, an eligible employee should contact the UEI Human Resources division for an informational packet which includes the required forms. The required forms must be turned in to the UEI Human Resources division.
2. Employees may amend or revoke their 457 deferral agreement at any time. Changes will become effective the calendar month following the month the forms are changed. Forms are available in Human Resources.

**V. RELATED POLICIES**

Policy No. 010      Definitions of Employment Status/Appointment Codes

Policy No. 105      Health and Welfare Benefits

Policy No. 115      Retirement