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| <b>University Enterprises, Inc.<br/>Policies and Procedures</b> | <b>Policy No. 119</b>                 |
| <b>Section:</b>   | Human Resources                       |
| <b>Policy:</b>  | Retirement –Defined Contribution Plan |
| <b>Effective Date:</b>  | March 19, 2015                        |

## **Retirement –Defined Contribution Plan**

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

### **I. PURPOSE**

To provide a retirement plan for Regular Benefited employees in a Sponsored Program who are not eligible for membership in the California Public Employees Retirement System with UEI.

### **II. SCOPE**

This policy applies to Regular Benefited UEI employees on a Sponsored Program that does not have guaranteed funding at the beginning of the project beyond two years.

### **III. POLICY**

- A. UEI provides a defined contribution retirement plan through one of UEI's approved Annuities or Mutual Fund Custodial Accounts (403b) companies. UEI reserves the right for the selection and approval of the 403(b) company.
- B. This policy is effective for eligible Sponsored Programs' Regular, Benefited employees who have been employed by UEI in a Regular Benefited position for one year. Contributions to the defined contribution retirement plan will begin on the first day of the month after the employee becomes eligible.
- C. The UEI Human Resources division administers the defined contribution retirement plan for eligible employees. Participating Sponsored Programs contribute a set percentage of their eligible employees' monthly salaries to fund the plan. All contributions must meet the requirements of the Internal Revenue Service Section 403(b) and all applicable regulations. UEI reserves the right to set the amount of the contribution.
- D. Eligible employees may not contribute additional funds to the defined contribution plan but may establish a separate account with the same company or any of UEI's approved tax deferred compensation programs (403 b or 457 Companies). A list of the approved companies may be obtained from the UEI Human Resources division. See Policy No. 118 – Deferred Compensation Plans 403(b) and 457.
- E. The retirement defined contributions are invested at the direction of each employee and the plan contributions are held for the exclusive benefit of the employee. There are various investment options within the defined plan. UEI and the Sponsored Programs are not responsible for the financial performances of the plan and do not provide advice regarding the employees' investment options.
- F. Funds in the defined contribution plan are available to the employees upon retirement or separation from service. (Loans and/or withdrawals are not allowed during employment.) Employees should review Internal Revenue Service regulations prior to retiring or separating from

service and withdrawing funds. Some restrictions may apply. Employees are responsible for the payment of all taxes and fees on withdrawn funds.

**IV. RELATED POLICIES**

- Policy No. 010      Definitions of Employment Status/Appointment Codes
- Policy No. 118      Deferred Compensation Plans 403(b) and 457