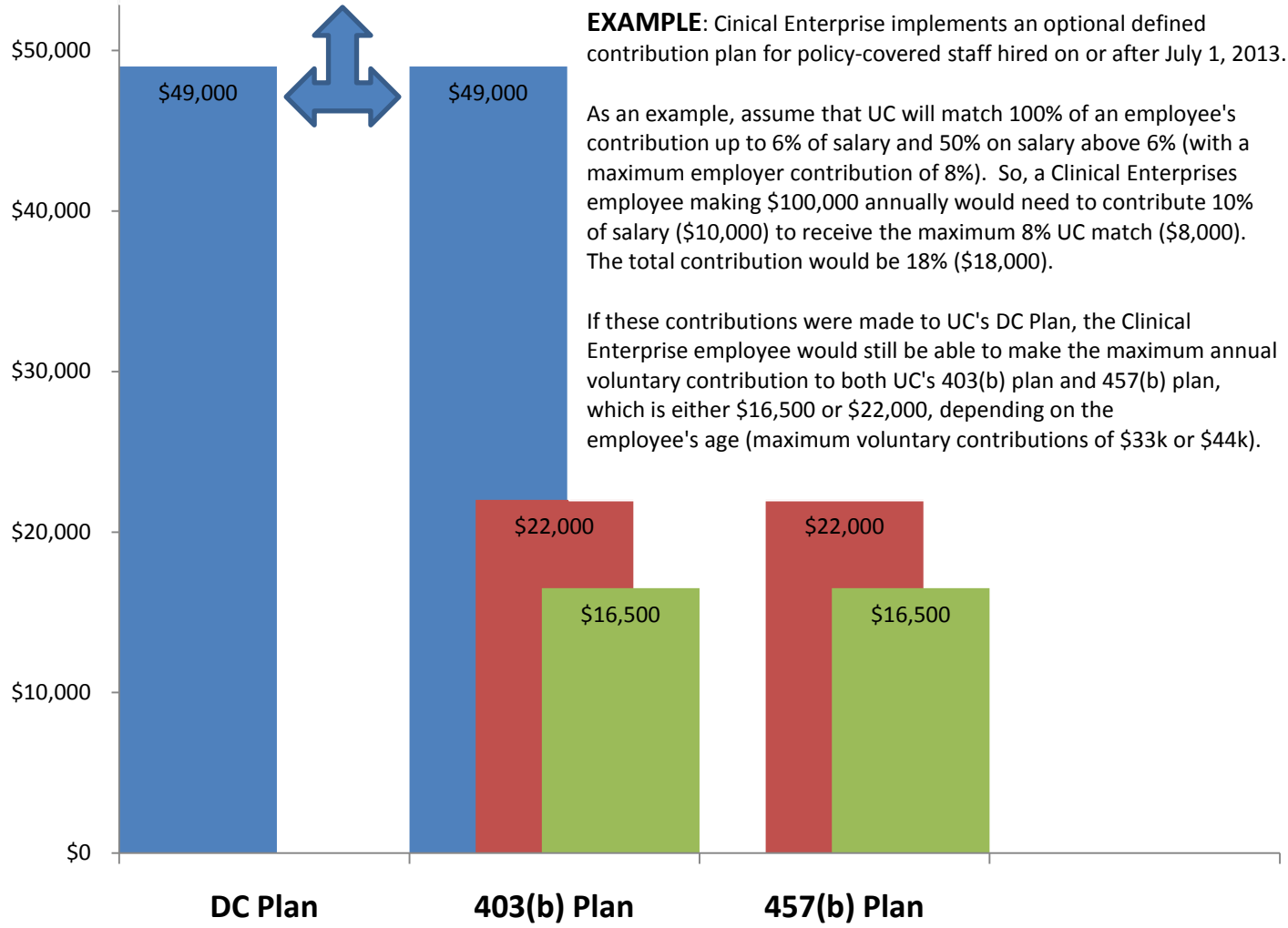
UC Retirement Savings Plans - Contribution Limits

PLEASE NOTE: All employer contributions to UCRP, the DC Plan, the 403(b) Plan and the 457(b) Plan based on a percentage of employee salary are limited by the IRC §401(a)(17) Compensation Limit. For UCRP and the DC Plan, the Compensation Limit is currently either $360,000 or $245,000, based on a UCRP entry date before or on/after 7/1/94; the Compensation Limit for the 403(b) Plan and the 457(b) Plan is currently $245,000.



EXAMPLE: Cinical Enterprise implements an optional defined contribution plan for policy-covered staff hired on or after July 1, 2013.

As an example, assume that UC will match 100% of an employee's contribution up to 6% of salary and 50% on salary above 6% (with a maximum employer contribution of 8%). So, a Clinical Enterprises employee making $100,000 annually would need to contribute 10% of salary ($10,000) to receive the maximum 8% UC match ($8,000). The total contribution would be 18% ($18,000).

If these contributions were made to UC's DC Plan, the Clinical Enterprise employee would still be able to make the maximum annual voluntary contribution to both UC's 403(b) plan and 457(b) plan, which is either $16,500 or $22,000, depending on the employee's age (maximum voluntary contributions of $33k or $44k).

- **IRC §415 (c) Annual Additions Limit (Currently the lesser of $49,000 or 100% of compensation)**
- **Employee Catch-Up Limit for Eligible Participants Age 50 and Over (Currently $22,000)**
- **Employee Deferral/Dollar Limit for Participants Under Age 50 (Currently $16,500)**

The DC Plan and the 403(b) Plan each have a **separate** IRC §415 (c) "Annual Additions" Limit (currently the lesser of $49,000 or 100% of compensation).

All employee and employer contribitions to the DC Plan (pretax & after-tax) and the 403(b) Plan (pretax) count against each Plan's respective IRC 415(c) Annual Additions Limit.

PLEASE NOTE: Besides lower limits, employer contributions to 457(b) plans are subject to FICA taxes. Thus, employers generally don't contribute to 457(b) plans.

The 457(b) Plan does **not** have an IRC §415(c) Annual Additions Limit. All contributions to the 457(b) Plan are subject to its applicable dollar limits (i.e., $16,500 or $22,000).