January 2011 Retirement Investment Deferral Elections

The end of the year is when many UCDHS Faculty and Staff members start thinking about the following year’s deferrals. Please be reminded that in order to make Retirement Savings Program deferral election changes to be effective the first monthly check paid in January 2011 (January 3, 2011), please note the following:

- 457b Plan enrollments, changes, and cancellations must be submitted by the end of November 2010 in time to be transmitted to the payroll office on December 1, 2010 (UCDHS Benefits recommends by November 23, 2010 for monthly employees and December 10, 2010 for biweekly employees.)

- 403b Plan enrollments, changes, and cancellations must be submitted in December, and transmitted to the payroll office prior to the payroll cut-off date at your location (UCDHS Benefits suggests by December 17th for both monthly and biweekly employees.)

Because of differences in the Internal Revenue Code (IRC) language, plan rules differ for the 457b Plan and 403b Plan, thus the difference in processing deferral elections. Deferral elections for the 457b Plan are transmitted to the local payroll offices once per month on the first, and 403b Plan deferral elections are transmitted each business day (processing for the DCP After-Tax Plan is the same as the 403b Plan).

All deferral elections can be submitted via the Fidelity Retirement Services website NetBenefits.com, or by calling Fidelity directly at 1-866-682-7787.

The annual Maximum Allowable Contribution (MAC) limits for the 457b and 403b Plans have not changed for 2011 ($16,500 basic, and $22,000 for age 50 and up).