

Policy Number: AC041

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Title: Procedure for processing and remittance of retirement plan contributions

Statement:

This procedure is established to document the processing and remittance of retirement plan contributions for The University Corporation.

PROCEDURE	
Role	Action
Payroll Personnel	Track employee work hours for eligibility for TUC retirement plan match. Send to Payroll Manager to review and approve. After verification & approval, send list to HR department once per quarter.
HR Personnel	Send official notice of eligibility for retirement plan match to employees.
Employees	Elect to join or not join the plan and complete the necessary paperwork
Payroll Personnel	Enter employee retirement plan deductions with the corresponding level of employer matching contributions into ADP payroll system. Send to Payroll Manager to review and approve
Payroll Manager	Compare request to deduction during preview of payroll run. Verify deductions are correctly executed in accordance with the employee Salary Reduction Agreement form. For employees newly qualified for matching, reverify eligibility before matching is approved.
ADP	As part of payroll process, calculate the employer contribution information. Create file with employee contribution & matching employer contribution. Forward file to TUC payroll department with the payroll
<i>Employee retirement deductions with corresponding employer matching contributions are reflected on payroll register. Newly added employees to the retirement plan are reflected in the change register.</i>	
<i>Oversight – Associate Director of HR or Associate Director of Accounting</i>	Compare the newly added employees referenced in the change register to the notices of retirement plan eligibility mailed to employees.
Payroll Personnel	Forward ADP file to retirement plan vendor.
ADP	Initiate electronic funds transfer (EFT) request for the dollar amount of the ADP file. EFT transfer is completed within 24 hours of payroll date.



Retirement Plan Vendor	Match information on ADP file with the dollar amount of the EFT. Send email to TUC payroll department confirming any discrepancies.
Payroll Personnel	Take necessary actions to transfer any shortage of funds.
Payroll Personnel	Prepare General Ledger entries Forward information to Accountant to post into the general ledger
<i>Oversight- Associate Director of Accounting</i>	Review information to ensure ADP file and EFT information are in balance.
<i>Additional oversight - ADP paystubs reflect employee retirement deduction and corresponding employer matching contribution. Information is available to employees online.</i>	

Contributions:

TUC has enhanced the retirement benefits program by increasing the retirement match contribution. Beginning July 1, 2024, the match will now be dollar-for-dollar, up to 6% of their salary.

- If employee contributes 2% of their salary to the retirement program, TUC will match 2%.
- If employee contributes 3% of their salary to the retirement program, TUC will match 3%.
- If employee contributes 4% of their salary to the retirement program, TUC will match 4%.
- If employee contributes 5% of their salary to the retirement program, TUC will match 5%.
- If employee contributes 6% of their salary to the retirement program, TUC will match 6%.

For details on TUC’s Retirement Plan see the Retirement section on the [HR Benefits](#) page.

Automatic deferral:

The Plan includes an Automatic Contribution Arrangement (“ACA”). Under the ACA provisions of the Plan for the plan year beginning on July 1, 2012, TUC will automatically withhold 2% of an eligible employee’s compensation from their pay each payroll period based on the date specified and contribute that amount to the Plan as a deferral. If the employee wants to change or cancel, they can use the [Salary Reduction Agreement Form](#) or the [Opt Out form](#). The election will be processed in a reasonable time after receipt and will remain in effect unless and until the employee changes it.

Right to direct investment/default investment:

Employee has the right to direct the investment of accounts under the Plan (“directed accounts”) in any of the investment choices explained in the investment information materials provided. Investment selection and beneficiary designation can be made online with the provider after registering as a new user. If an investment election is not made, then the amounts elected will be invested in a default investment that the Plan officials have selected.



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