

# Voluntary 403(b) Retirement Savings Program

## What is a Voluntary 403(b) Retirement Savings Program?

It is a program made available by Section 403(b) of the Internal Revenue Code to employees of certain types of nonprofit organizations, educational institutions, and hospitals. The Savings Program allows you to contribute part of your income on a tax-deferred basis, through payroll deduction, to authorized plans. Your pre-tax contributions and investment earnings are not taxed until they are distributed to you at some future date. Your contributions are intended for retirement or long-term capital accumulation.

You may also make after-tax Roth 403(b) contributions. Your earnings on after-tax Roth 403(b) contributions are not taxable when they are withdrawn from the plan if the withdrawal is a "qualified distribution."

## Benefits and Tax Treatment

On pre-tax contributions, for federal and California state income tax purposes, contributions and earnings accruing in your account are not taxed until you or your beneficiary receives the money. If you meet certain requirements, Roth 403(b) contributions plus earnings could be withdrawn tax-free during your retirement. If you have the account for at least 5 years and have turned age 59 1/2, all Roth 403(b) contributions and earnings could be withdrawn tax free. Your contributions will be subject to Social Security taxes; therefore, participation in the TDA program will not lower your Social Security benefits. Nor will it affect SDSU Research Foundation's contributions to the retirement plan with TIAA.

## Eligibility

All SDSU Research Foundation employees are eligible to participate upon date of hire, without serving a waiting period.

## Contribution Limits

The Internal Revenue Code establishes limits on the amount of an employee's total elective salary reduction contribution to all 403(b) annuities and 403(b)(7) mutual fund custodial accounts. For 2019, the limit is generally the lesser of 100% of compensation or \$19,000. And for participants age 50 or over, an additional \$6,000 can be deferred. Other limits also apply and need to be considered.

It is the employee's responsibility to ensure that the total contribution does not exceed the employee's statutory limits, the limitations of IRC Section 415, or the limitations of IRC Section 402(g), whichever is the least. In addition, Section 414(v) must be considered. If you exceed the maximum limits, you may be subject to tax penalties. To verify that you are within the maximums allowed by law, request a calculation each year.

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## Procedure

### To Start Contributions:

1. Visit the SDSURF TIAA Microsite at [www.tiaa.org/sdsuf](http://www.tiaa.org/sdsuf) and under "Your Retirement Benefits" click "Ready To Enroll." Select "San Diego State University Foundation Savings Plan" and click "Next." Scroll down and click on "Begin Enrollment." If you do not already have a TIAA user name and password, click on "Register with TIAA;" if you do, then type your user name on right hand side and click "Login." Follow enrollment prompts and confirm/enter information to complete your enrollment process.
2. Complete a "Salary Reduction Agreement Form." The form can be found online at [www.foundation.sdsu.edu](http://www.foundation.sdsu.edu) under Human Resources, Forms. Copies of this form are also available from SDSU Research Foundation's Human Resources Office. You will need to submit your completed salary reduction agreement form to SDSU Research Foundation's Human Resources Office for review before the form is processed.

**If you have any additional questions regarding SDSU Research Foundation's 403(b) Retirement Savings Program, or need assistance in establishing your tax-deferred retirement savings account, contact SDSU Research Foundation Human Resources Office via email at [SDSURFHR@sdsu.edu](mailto:SDSURFHR@sdsu.edu) or call 619-594-4139.**

SDSU Research Foundation is offering the Voluntary Retirement Savings Program based on the current understanding of the Internal Revenue Code. SDSU Research Foundation reserves the right to amend or discontinue the program at any time. This brochure describes the Voluntary Retirement Savings Program only in general terms. In the event of a discrepancy between this brochure and your contract, the applicable laws under the Internal Revenue Code and the provisions of the contract will govern. This brochure is intended to help you understand how the Retirement Savings program works; it is not intended to recommend that you participate in the program. Nor will it give you investment or tax advice. The decision to participate is yours.

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(12/31/2018)

### To Cancel/Change Contributions:

You may cancel or change contributions, in writing, at any time with respect to salary not yet earned. To cancel or change your current contribution, complete a new "Salary Reduction Agreement Form." You can find the form online at [www.foundation.sdsu.edu](http://www.foundation.sdsu.edu) under Human Resources, Forms. You will need to submit your salary reduction agreement to SDSU Research Foundation's Human Resources at Mail Code 1945.