Annual Notice Regarding 403(b) Plan Eligibility and Contribution Limits

This notice is to provide you with a reminder of:

- your eligibility to participate in a 403(b) retirement plan sponsored by the University of Pennsylvania, and
- the annual limits on employee and employer contributions made through the University's retirement plans that may apply to you.

Eligibility

With only a few limited exceptions, all employees of the University who receive compensation reportable on an IRS Form W-2 are eligible to participate in a University-sponsored 403(b) plan. Certain student employees, leased employees, and nonresident aliens are not eligible to participate in the University's 403(b) plans. Eligible employees may elect to make 403(b) plan contributions to the University of Pennsylvania Supplemental Retirement Annuity Plan. In addition, employees who are eligible to receive retirement plan contributions from the University may elect to make 403(b) plan contributions to the University of Pennsylvania Matching Plan.

Eligible employees who wish to enroll or make changes in one of the University's 403(b) plans should visit www.hr.upenn.edu/retirement and click the "enroll or make changes" link. Eligible employees may also call the TIAA Retirement Call Center at 877-736-6738 for enrollment assistance or to make changes to their current elections.

Annual Contribution Limits

There are Internal Revenue Code rules that limit the amount that you can contribute to the University's 403(b) on a pre-tax and/or Roth basis in any given year and that also limit the overall amount of employee and employer contributions you may receive from all employer-sponsored retirement plans in any given year.

- **Pre-Tax and Roth Contribution Limit.** IRS Code Section 402(g) limits the amount of pre-tax and/or Roth contributions that you may contribute to the Plan and any other employer-sponsored retirement plans for a calendar year. For 2022, you can contribute up to 20,500 ($27,000 if you are age 50 or over and eligible to make catch-up contributions) in a calendar year on a pre-tax and/or Roth basis.

- **Overall Annual Additions Limit.** In addition to the pre-tax and Roth contribution limits described above, IRS Code Section 415(c) limits the total amount of annual additions (contributions you make or that are made on your behalf) to the University's retirement plans for a calendar year and, importantly, any other qualified retirement plan (including a SEP or Keogh plan) sponsored by a trade or business that you own or control. That is, the Code aggregates annual additions to the University's retirement plans with annual additions to qualified retirement plans sponsored by entities that you own or control. This means, for example, that if you have a separate consulting business and make contributions to a retirement plan established for that consulting business, those contributions must be aggregated with the annual additions to the University's retirement plans. For 2022, the IRS Code Section 415(c) limit is the lesser of: (1) 100% of your eligible compensation for the year, or (2) $61,000.

You are responsible for monitoring compliance with these limits. In particular, it is your responsibility to notify the University if you participate in any other qualified retirement plan (including a SEP or Keogh plan) sponsored by a trade or business that you own or control. If your contributions or the contributions made on your behalf exceed the applicable Code limits, the excess amounts will be addressed in the manner described below.
**Excess Deferrals**

If the total amount of your pre-tax and/or Roth contributions made to the University’s 403(b) plans and any other qualified retirement plan **exceeds** the Code limits in any calendar year, you will have made "excess deferrals." These excess deferrals, adjusted by any gains or losses, must be distributed to you from the Plan (or the other qualified retirement plan in which you participated) by April 15 of the year following the year in which the excess deferrals were made. Depending on whether you made pre-tax or Roth contributions, you may need to pay federal income tax on the excess deferrals and any gains or losses for the year in which the deferral is made. To request a distribution of your excess deferrals, please submit your request by March 1 of the year following the year in which the excess deferrals were made by emailing the Penn Employee Solution Center at solutioncenter@upenn.edu. Please attach a copy of the applicable W-2 from the other employer, or the last pay statement for that year. Please note that TIAA cannot take refund requests directly from the participant. The benefits office will request the refund from TIAA on the participant’s behalf.

**Excess Annual Additions**

If the total amount of annual additions (contributions made by you or on your behalf) to the University’s retirement plans or any qualified retirement plans sponsored by a trade or business that you own or control **exceeds** the annual additions limit, you will have "excess annual additions." Any such excess annual additions must be corrected by distributing the excess amounts (including any earnings on such excess amounts) from the Plan and/or other qualified retirement plans that you participated in during the year. If at any time you become aware that you have excess annual additions, you must notify the Benefits Office by emailing the Penn Employee Solution Center at solutioncenter@upenn.edu.

**Additional Information**

For more details about eligibility to participate in the University’s 403(b) plans and the annual contribution limits that may apply to your retirement plan participation, please refer to the "Summary Plan Description" (SPD) for the 403(b) or other retirement plan in which you participate, or by contacting the TIAA Retirement Call Center at 877-736-6738.