Update to Supplemental Retirement Annuity Plan
Flat-Dollar Elections Must Be Changed to a Percentage

The University of Pennsylvania is transitioning to a new human capital management system, Workday, which will transform how Penn delivers HCM-related processes such as staff recruitment, payroll, time management, benefits administration, and more.

Part of this move to Workday will include a new enrollment system for Penn’s retirement plans. Contribution elections for the University of Pennsylvania Matching Plan can be made on a percentage-only basis, but the Supplemental Retirement Annuity (SRA) Plan currently allows contributions to be made as either a percentage or a flat-dollar amount. Any contribution elections for the SRA Plan currently in the form of a flat-dollar amount must be converted to a percentage by the time of transition to the new enrollment system. This new enrollment system will only accept contribution elections as a percentage of base pay.

What do I need to do?
Log into the enrollment system and confirm what is currently listed for the SRA Plan. If it indicates a flat-dollar contribution, you will need to convert that to a percentage of your base pay, per pay period, no later than May 31, 2019.

If you would like help with confirming or converting your SRA Plan contribution, please call the Penn Retirement Call Center at 877-736-6738, Monday-Friday 8am-5pm EST. The Retirement Call Center is aware of this upcoming change and will be happy to assist you.

How do I calculate a flat-dollar contribution to a percentage?
Divide the flat-dollar contribution amount by the gross base pay for the pay period (base pay does not include any overtime, shift differential, etc.). This will give you a number that you can convert to a percentage by simply moving the decimal two places to the right.

Example: Ann has a contribution amount of $200 per month, and her gross base pay is $4,000 per month. Here is the calculation: $200 ÷ $4,000 = .05 = 5%

What will happen if a flat-dollar contribution to the SRA Plan isn’t converted to a percentage in time for the transition to the new enrollment system?
If your SRA Plan contribution is stated as a flat-dollar amount at the close of business on May 31, 2019, it will be automatically converted to the equivalent percentage of your base pay (base pay does not include any overtime, shift differential, etc.). You will receive a confirmation notice in the mail 7-10 days after the change is made. You can change that percentage at any time after the automatic conversion.
Are there any potential differences between a flat-dollar contribution and its equivalent percentage?
Yes. A flat-dollar contribution will be the same every pay period, regardless of any fluctuations in your pay. A percentage contribution will vary along with any fluctuations in your base pay. If you are a part-time or temporary employee currently contributing to the SRA Plan and have hours that vary from week to week, your contributions could be affected.

Are there any benefits to a percentage-based contribution?
Yes. A percentage-based contribution is a good way to automatically increase your contributions along with increases in pay.

Are there any limits to how much I can contribute to the SRA Plan?
The SRA Plan allows a maximum contribution of 75% of your base pay, per pay period, up to IRS annual limits.

When will the retirement plans transition to the new enrollment system?
You will need to convert no later than May 31, 2019. The transition is scheduled for July 1, 2019.

Where can I go for assistance?
If you would like help with confirming or converting your SRA Plan contribution, please call the Penn Retirement Call Center at 877-736-6738, Monday-Friday 8am-5pm EST.

Sincerely,
Division of Human Resources