

THE UNIVERSITY OF IOWA
University Benefits
Salary Reduction Calculation Worksheet
2009

Congress has enacted legislation that could affect the amount you may defer to your Voluntary Retirement Savings Program (VRSP) in 2009. The maximum contribution to retirement savings cannot exceed \$49,000, which includes the 15% contribution to your basic retirement fund. There are three factors to take into consideration in calculating how much you can place into your VRSP program:

1. The VRSP maximum for 2009 will be \$16,500 per year. You may not be able to contribute the full amount. To calculate the amount you can contribute, complete the following:

		<u>EXAMPLE</u>
a. Your annual salary (see below for limits):	_____ (a)	Á 100000
Hired prior to 1/1/96: up to \$326,666		
Hired after 1/1/96: \$245,000		
b. Mandatory contribution to TIAA-CREF:	x _____ .15 (b)	x .15
c. Basic retirement contribution:	===== (c)	<u>Á 15000</u>
Note: If line (c) is greater than line (d), you cannot contribute to a VRSP. You may be able to contribute something under factors 2 and 3.		
d. IRS Annual Retirement Contribution Maximum:	===== 9000 (d)	===== 49000
e. Enter amount from line (c):	- _____ (c)	<u>Á -15000</u>
f. Maximum amount which can be contributed to a VRSP: (not to exceed \$16,500)	=====	<u>Á 16500</u>

2. If you are 50 years of age or older by December 31, 2009, you may contribute an additional \$5,500 to your VRSP. This additional \$5,500 is permitted even if you are at the IRS annual maximum of \$49,000.
3. If you have been employed at The University of Iowa for 15 years or more, you may contribute an additional \$3,000 per year to a lifetime maximum of \$15,000. This additional \$3,000 does not apply if you will be at the IRS annual maximum of \$49,000.

CURRENT PARTICIPANTS

To update an existing VRSP, you must complete the Salary Reduction Agreement form.

NEW ENROLLEES

Open an account with an approved company prior to sending the Salary Reduction Agreement to the University Benefits Office.

Approved companies: http://www.uiowa.edu/hr/benefits/retire/gsra_company.html