

THE UNIVERSITY OF IOWA  
**University Benefits**  
**Salary Reduction Calculation Worksheet**  
**20%**

Congress has enacted legislation that could affect the amount you may defer to your Voluntary Retirement Savings Program (VRSP) in 20F€. The maximum contribution to retirement savings cannot exceed \$49,000, which includes the 1% 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 20F€ 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:

		<b><u>EXAMPLE</u></b>
a. Your annual salary (see below for limits): Hired prior to 1/1/96: up to \$326,666 Hired after 1/1/96: \$245,000	_____ (a)	Á 100000
b. Mandatory contribution to TIAA-CREF:	x _____ .13 (b)	_____ x .13
c. Basic retirement contribution: <b>Note:</b> 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.	===== (c)	<u>Á 13000</u>
d. IRS Annual Retirement Contribution Maximum:	<del>=====</del> 9000 (d)	<del>=====</del> 49000
e. Enter amount from line (c):	- _____ (c)	<u>Á -13000</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, 20F€, 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](http://www.uiowa.edu/hr/benefits/retire/gsra_company.html)