

Procedure: Supplemental Retirement

Supplemental Retirement Participation

Goal

The goal of this document is to inform employees about supplement retirement plans available through Clemson University, including eligibility, options, contribution limits and instructions on how to enroll, change and cancel contributions to 401(k), 403(b) and 457 plans.

Eligibility

All paid Clemson University employees may participate in the supplemental retirement plans, except student workers.

Company Listing

Certain companies and representatives have met Clemson University's enrollment requirements by being licensed with The South Carolina Department of Insurance and meeting Internal Revenue Service (IRS) requirements. The University neither endorses nor recommends one investment vehicle over another. Companies must meet the following requirements:

- The company must be able to accept and track employee and employer contributions separately.
- The company must sign an investment provider service agreement and an information sharing agreement.
- The company must have a company agent available to complete enrollment paperwork and the Clemson University Request for Reduction in Salary form for deferral transactions.

For a complete listing of available supplemental retirement companies, see the Related Resources section of this document or contact the Office of Human Resources (OHR).

Enrollment, Changes and Cancellation of Contributions

401(k) and 457 plans: Employees should contact the South Carolina Deferred Compensation Program to establish a 401(k) and/or 457 plan. Once an account is established, employees can start, change or cancel deferrals directly through the South Carolina Deferred Compensation Program or through an OHR benefits counselor. For contact information for the South Carolina Deferred Compensation Program, see the Related Resources section of this document.

403(b) plans: Employees can select a vendor from the approved vendor list provided by OHR. After choosing a vendor, the employee contacts that vendor to establish a 403(b) plan. Once the account is established, employees can start, change, or cancel deferrals directly through their plan vendor or through an OHR benefits counselor. For contact information on approved vendors, see the Related Resources section of this document.

Deferral Options

Employees can elect to contribute on a before-tax or after-tax basis, or a combination thereof.

Before-tax deferrals: Contributions are deducted from the employee's pay before taxes are calculated, which lowers the employee's current taxable income. Before-tax deferrals are available through 401(k), 403(b) and 457 plans.

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After-tax deferrals: Contributions are deducted from the employee's pay after taxes are calculated, which allows the funds to be taxed before they enter the account. After-tax deferrals are available through 401(k) and 457 plans.

Deferral Limits

IRS regulations determine the maximum amount an employee can contribute to a supplemental retirement plan. It is the responsibility of the participating employee and the 401k, 403b, 457 companies handling the plan to make certain the authorized maximum contribution is not exceeded. OHR reserves the right to stop plan contributions to prevent over-deferrals. More information regarding the current limits on contributions can be found in the Related Resources section.

Deferrals are further limited by the availability of funds in the employee's paycheck.

Payroll Deduction Schedule

9-Month Employees: 16 deferrals allowed annually: Jan-April and Sept-Dec (1st & 2nd check dates)

12-Month Employees: 24 deferrals allowed annually: Jan-Dec (1st & 2nd check dates)

Rollovers

Rollovers in and out of 401(k), 403(b) and 457 plans may be allowed. Employees should discuss distribution rules and the impact on their account with the company they are rolling the money from and the company accepting the rollover.

403b Plan Document

In accordance with IRS regulations effective 01/01/2009, Clemson University has adopted a 403b Plan Document. Under the plan, loans and financial hardship distributions are permitted; however, 15 years of Service Catch Up contributions are not permitted. In order to certify compliance with regulations, transfers, rollovers, withdrawals, loans and financial hardship distributions are subject to approval by Clemson University's Office of Human Resources.

Purchasing Service Credit

Employees can use funds in their 401(k), 403(b) and 457 plans to purchase eligible service credit as defined by SCRS/PORS guidelines.

Tax Information

Possible tax credits are available for contributions made to IRA, 401(k), 403(b) or 457 plans. Employees should discuss tax credits and IRA limits with their tax consultant.

Plan Fees

Plan vendors may charge administrative and/or investment management fees. Employees should contact their plan vendor for more information on plan fees.

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This document is for informational purposes only and is provided with the understanding that Clemson University is not rendering legal/tax/investment advice. Employees seeking such advice should consult independent legal counsel, a tax consultant, and/or a financial planner.

Related Resources

[Supplemental Retirement Programs - Plan Options](#)

[Supplemental Retirement Programs – Company Listings](#)