

TO: Full-time Employees

FROM: Patti Williams, Benefits Manager

DATE: January 9, 2009

SUBJECT: **2009 Limits for 403(b) & 401(k) Tax Shelter and 457 (b) Deferred Compensation Plans**

Here are the 2009 IRS limits for defined contribution retirement plans. To stay within these limits and avoid issues with the IRS, the amount of deferrals made to each retirement plan must be monitored. Generally, the most efficient and comprehensive way to coordinate an employee's deferrals is at the payroll level where the employee's contributions to all plan can be seen and controlled.

Contributions made through another employer cannot be seen at the payroll level; these deferrals must be monitored by employees themselves.

2009 Deferral Limits for 401(k), 403(b) and 457 Plans

Plan	Employee	Employer	Combined Total	Employee Catch-Up	Restrictions
401(k)/403(b)	\$16,500	\$49,000	\$65,500	\$5,000 Age 0 +	Must be coordinated with other 401(k) and 403(b) plans.
457	\$16,500	\$16,500	\$33,000	\$5,000 Age 50 + or \$15,000 Special Catch-Up	Must be coordinated with other 457s. Specials catch-up within 3 years of retirement

NEW ROTH AND TRADITIONAL IRA CONTRIBUTION LIMITS

Year	Contribution Limit	Age 50 + Catch-Up Limit	Deadline to Contribute
2008	\$5,000	\$1,000	April 15, 2009*

The above table details the contribution limits for both the traditional and Roth IRA. IRAs are also subject to certain income limits. For more details please contact the Utah Retirement Systems.

NOTE: Contribution limits apply to all traditional and Roth IRAs combined.

Employers cannot use payroll deduction for prior year contributions. Prior year contributions must be made by the employee.

If you are currently participating and wish to make a change or you are a new enrollee, to be effective with the next pay period in 2009, a completed Salary Reduction Agreement form should be submitted to Human Resources immediately. If you invest in the 403(b) or 457(b) plans with TIAA-CREF, VALIC or SJI Financial, you can download the Salary Reduction Agreement Form online at www.slcc.edu/hr/forms - it is under the alphabetical listing under Forms.

If you are going to elect the maximum deferral, you will need to contact the company you are working with and have them complete a maximum deferral calculation. This form will need to be turned in with the Salary Reduction Agreement.

If you are a part-time employee you may also contribute to a tax shelter. Your annual limits will be different. Please contact the respective company for a maximum calculation.

To change your tax shelter plan or to enroll in either the 403(b) or 457(b) plan or both, please contact Shelley Currey at 957-4722.