




The University Corporation
Research, Investments and Commercial Services California
State University, Northridge

Policy Number: AC041

Date: December 13, 2012
Revised: November 1, 2022


Lih Wu, Chief Financial Officer

Title: Procedure for processing and remittance of retirement plan contributions

Statement:

This procedure is established to document the processing and remittance of retirement plan contributions for The University Corporation.

Procedure:

1. Payroll personnel track employee work hours for eligibility into TUC retirement plan. Payroll sends a notice of eligible employees to HR department once per quarter.
2. HR personnel send official notice of retirement plan eligibility to employees.
3. Employees elect to join or not join the plan and complete the necessary paperwork.
4. Payroll personnel enter employee retirement plan deductions with the corresponding level of employer matching contributions into ADP payroll system. The three levels of employer matching contributions in the retirement plan for the plan year ended June 30, 2012:
 - a. Employee contributes 0%, TUC contributes 3% of annual salary
 - b. Employee contributes 2%, TUC contributes 5% of annual salary
 - c. Employee contributes 5%, TUC contributes 10% of annual salary

Beginning July 1, 2012, there are four levels of employer matching contributions in the retirement plan:

- d. Employee contributes 2%, TUC contributes 2% of annual salary
- e. Employee contributes 3%, TUC contributes 6% of annual salary
- f. Employee contributes 4%, TUC contributes 8% of annual salary



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- g. Employee contributes 5%, TUC contributes 10% of annual salary

The four levels of employer matching contributions in the retirement plan for the plan year ended June 30, 2021. Beginning July 1, 2021, the retirement plan was modified to provide a straight match up to 5% of annual salary.

5. As part of payroll process ADP calculates the employer contribution information and creates a file containing the employee contribution and matching employer contribution. The file is forwarded to TUC payroll department with the payroll.
6. Employee retirement deductions with corresponding employer matching contributions are reflected on payroll register. Newly added employees to the retirement plan are reflected in the change register.
 - a. Oversight - Human Resources Manager or Associate Director of Accounting compares the newly added employees referenced in the change register to the notices of retirement plan eligibility mailed to employees.
7. Payroll personnel forward the ADP file to retirement plan vendor. ADP initiates an electronic funds transfer request for the dollar amount of the ADP file. The electronic funds transfer is completed within 24 hours of the payroll date.
8. Retirement plan vendor matches the information on the ADP file with the dollar amount of the electronic funds transfer. An email is forwarded to TUC payroll department confirming any discrepancies. Payroll department takes the necessary actions to transfer any shortage of funds.
9. Payroll prepares General Ledger entries and forwards the information to the Associate Director of Accounting to post into the general ledger.
 - a. Oversight – Assoc. Director of Accounting reviews information to ensure ADP file and electronic funds transfer information are in balance.
10. Additional oversight – Employee retirement deduction and corresponding employer matching contribution are noted on employee ADP paystubs.