



MEMO

22 November 2021

To: START Board of Directors

From: Sarah Schweizer, Director of Programs

RE: **2021 Employer Contribution to START Retirement Plan**

Dear START Board of Directors:

Each tax year, START makes a one-time, discretionary employer contribution to START's 403b Retirement Plan. The contribution is made at the end of the plan/tax year and is generally calculated as a flat percentage of that tax year's compensation for all eligible employees. To comply with relevant US rules and regulations, the percentage must be the same for all eligible employees. The contribution is formally recognized as a fringe benefit for eligible employees, and the expense is distributed proportionally across all accounts to which salary was charged during the tax year.

For the 2021 plan/tax year (i.e., 01 January – 31 December 2021), the START Management Team has carefully reviewed START's finances and recommends a one-time START employer discretionary contribution of 8.0% of annual compensation for all eligible employees for CY2021. **The 8.0% contribution equates to a total contribution of \$30,566.56 USD for 2021, an amount that is already accounted for in our fringe benefits pool and can be submitted for payment pending this annual process of endorsement of the START Board for final commitment.** This rate is above the minimum rate (i.e., 4.5%) stated in our retirement plan and is consistent with good corporate practice in our region.

With this memo, I request endorsement and approval of the Board for the recommended 8.0% as employer contribution to the retirement plan. An endorsement and decision will be determined during the annual board meeting to take place on December 2nd and 3rd.

Best wishes,

Sarah E. Schweizer

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