



MEMO

23 November 2020

To: START Board of Directors

From: Sarah Schweizer, Director of Programs

RE: **2020 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 2020 plan/tax year (i.e., 01 January – 31 December 2020), the START Management Team has carefully reviewed START's finances and recommends a one-time START employer discretionary contribution of 4.5% of annual compensation for all eligible employees for CY2020. The 4.5% rate is the minimum rate that is required in our retirement plan. **The 4.5% contribution equates to a total contribution of \$14,299 USD for 2020, 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.**

Last year the board approved a 8% rate, however, given our financial constraints we are not recommending that we exceed the minimum requirement. With this memo, I request endorsement and approval of the Board for the recommended 4.5% as employer

contribution to the retirement plan. Please connect with me by email to communicate your endorsement and, if necessary, to seek clarification on questions or concerns.

Thank you in advance for your prompt action.

Best wishes,

Sarah E. Schweizer

Sarah Schweizer