

HOURLY PAID



Maine's
Public
Universities

UNIVERSITY OF MAINE SYSTEM

Salary Reduction Agreement for HOURLY PAID EMPLOYEES

Name: _____ (PRINT)	EMPLID: _____
Date of Birth: _____	Effective Date: _____

Type of Change: <input type="checkbox"/> Begin or Resume TSA Contributions
<input type="checkbox"/> Change Future Contributions
<input type="checkbox"/> Terminate Participation

PART I -- Basic Retirement Plan & Optional Retirement Savings Plan (ORSP)

(Contributions Matched by the University)

The University sponsors Section 403(b) Basic and Optional Retirement Savings Plans (ORSP) for its eligible employees. The University contributes to the plan on behalf of each participating employee an amount specified in the applicable Summary Plan Description for the Basic Retirement Plan for Classified Employees or the Optional Retirement Savings Plan for each 1% contributed by the employee, up to a maximum employee contribution of 4%. The employee's contribution may be either a salary reduction (pre-tax) or salary deduction (after tax). Generally, salary reduction is more advantageous to employees.

The parties agree as follows:

- Commencing on the Effective Date and continuing indefinitely until the Agreement is terminated or the Employee ceases to be employed by the University in an eligible capacity, the employee's biweekly base salary shall be reduced by indicating how the contributions are to be apportioned among the following Vendors:

- 0% 1% 2% 3% 4%

<u>PERCENTAGE*</u>	<u>VENDOR</u>
_____ %	TIAA-CREF
_____ %	ING
_____ %	FIDELITY
_____ %	T. ROWE PRICE
_____ %	VALIC

***NOTE:** Use whole percentage only. You must establish contracts and submit application to vendor prior to effective date of reductions.

- The contribution will be a salary reduction (pre-tax) or salary deduction (after-tax). (circle one)

PART II -- Additional Voluntary (403(b) Tax-Deferred Annuity Plan

Part II is for eligible employees of the University who wish to tax-shelter a portion of their salary in addition to the amount, if any, sheltered under **Part I**. The University, as an accommodation to such an employee, will agree to reduce the employee's base or gross salary by the amount or percentage specified in this **Part II** and apply the amount or percentage of such salary reduction to the purchase of a **Section 403(b)** account from approved companies designated by the employee.

- Commencing on the Effective Date and continuing indefinitely until the Agreement is terminated or the Employee ceases to be employed by the University in an eligible capacity, the employee's biweekly base or gross salary shall be reduced by the amount or percentage specified below. The University shall apply that portion of such salary reduction to the purchase of a Section 403(b) account in the Employee's name from any approved company hereinafter designated by the Employee.

2. The Employee's biweekly salary shall be reduced by the following amount: (select one of the following) \$_____ per pay period **or** _____% per pay period.

3. Remit 403(b) reductions to the following vendor(s):

- TIAA-CREF Additional to Basic Retirement**
- TIAA-CREF Group SRA**
- Other Vendor:** _____

NOTE: You must establish contracts and submit application to vendor prior to effective date of reductions.

4. My reduction amount includes an extra "Catch-up" allowance provided by the following rule:

Age 50 or above
(or will turn age 50 during the calendar year)

15 Year Rule for "Long Service"
(Up to \$3,000 per year with a lifetime maximum of \$15,000)

NOTE: In order to take advantage of the 15-year election; you must have a maximum exclusion allowance calculation on file.

PART III – Voluntary 457(b) Tax-Deferred Annuity Plan

Part III is for eligible employees of the University who wish to tax-shelter a portion of their salary in addition to the amount, if any, sheltered under **Part I** and **Part II**. The University, as an accommodation to such an employee, will agree to reduce the employee's biweekly base or gross salary by the amount specified in this **Part III** and apply the amount of such salary reduction to the purchase of a Section 457(b) account from the following approved companies designated by the employee. (An employee's gross salary for purposes of this **Part III** is the amount of the employee's base salary as defined in **Part I** plus any additional remuneration paid to the employee by the University and includable in the employee's gross income for federal tax purposes.)

1. Commencing on the Effective Date and continuing indefinitely until this Agreement is terminated or the Employee ceases to be employed by the University in an eligible capacity, the Employee's biweekly base or gross salary shall be reduced by the amount specified below. The University shall apply that portion of such salary reduction to the purchase of a Section 457(b) account from the following approved company hereinafter designated by the Employee.

2. Remit 457(b) reductions to the following vendor(s):

TIAA-CREF \$ _____ **FIDELITY** \$ _____ **ING** \$ _____ **VALIC** \$ _____

NOTE: You must establish contracts and submit application to vendor prior to effective date of reductions.

3. My reduction amount includes an extra "Catch-up" allowance provided by the following rule:

Age 50 or above (or will turn age 50 during the calendar year)

PART IV – Employee Acknowledgement

1. I authorize the University of Maine System to remit the amount of salary reduction designated in **Parts I, II and III** to the investment vendor(s) for contributions to an IRS defined 403(b) and/or 457(b) annuity contract. When executed by both the University and the Employee, this Agreement is legally binding and irrevocable as to both the University and the Employee so long as the Employee continues in the employment of the University, except, however, that either party may terminate this Agreement as of the end of any month by notifying the other party in writing at least 30 days prior to the effective date of termination. If the Agreement is terminated, it will not apply to any salary paid to the Employee subsequent to the effective date of termination. The University may cancel this agreement or change the amount of reduction in order to comply with IRS limits.

2. No more than four Agreements for salary reduction may be made by the Employee within any calendar year.

3. The Employee shall be primarily responsible for determining the amount of his or her exclusion allowance under **Section 403(b)** and **Section 457(b)**.

4. I understand that I am solely responsible for the gains and losses resulting from my investment decisions.

Employee's Signature

Date

Authorized Signature on Behalf of the
University of Maine System