



Salary Reduction Agreement for FACULTY and PROFESSIONAL EMPLOYEES

Name: _____ (PRINT)	EMPLID: _____
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Date of Birth: _____	Effective Date: _____
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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 403(b) Retirement Plan

The University sponsors a Section 403(b) Retirement plan ("Plan") for its eligible employees. The University contributes to the plan on behalf of each participating employee an amount equal to 10% of the employee's base salary. (An employee's base salary for purposes of this Part I is the amount of the employee's annual appointment salary exclusive of overtime pay and other additional remuneration.) Each participating employee is required to contribute to the Plan 4% of the base salary. The employee's 4% mandatory contribution may be made either by (1) salary deduction (after tax) or (2) salary reduction (pre-tax). Generally, salary reduction is more advantageous to employees. **This Part I is solely for those employees who wish to make their mandatory contribution to the Plan by salary reduction.** Also, the percentages noted above are subject to change through collective bargaining and University policy.

The parties agree as follows:

- 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 monthly base salary shall be reduced by 4%. The University shall apply the total Plan contribution of 14% to the purchase of a Section 403(b) account in the Employee's name. The employee must designate how the contributions are to be apportioned among the following Vendors:

<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. (An employee's gross salary for purposes of this **Part II** 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 monthly 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 salary shall be reduced by the following amount: (select one of the following) \$ _____ per month or _____ % per month.

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 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 monthly 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