

Note: Return salary reduction agreement to Human Resources at 413 Academy St.

**AGREEMENT FOR SALARY REDUCTION UNDER SECTION 403(B)
VOLUNTARY TAX DEFERRED PROGRAM**

Salaried and hourly staff and professional staff employees retaining State Pension Plan as primary retirement plan, may elect to participate in the University of Delaware Voluntary 403(b) Retirement Plan. This is an optional plan that allows you to tax-defer salary in addition to your primary Delaware State Pension Plan. The authorized investment companies under the plan are Fidelity Investments and the Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF). Employees may designate their contributions to one company, or split them between Fidelity Investments and TIAA-CREF in a variety of investment options.

BY THIS AGREEMENT, made between (a) _____ (please print your name) and the University of Delaware, the parties hereto agree as follows:

Effective with respect to amounts paid on or after (b) _____, 20____, which date is subsequent to the execution of this Agreement, the Employee's salary will be reduced by the amount indicated below and remitted to your designated authorized investment provider.

This agreement shall be legally binding and irrevocable for both the University and the Employee while employment continues. However, either party may terminate this Agreement as of the end of any month by giving at least thirty days written notice so that it will not apply to salary subsequently earned.

The amount(s) indicated below shall produce a total contribution that does not exceed the Employee's statutory exclusion allowance under IRC Section 403(b) or the limitations of IRC Section 415 or Section 402(g), whichever is less.

All employees who first become plan participants on or after July 1, 1996, will be subject to annual compensation limits of \$250,000 for plan year 2012 for any salary reduction amounts to the University of Delaware Voluntary 403(b) Retirement Plan.

(c) _____ I elect to contribute _____ % of my annual base salary.

OR

(d) _____ I elect to contribute the maximum salary reduction that is allowable by law up to the following Annual Limits:

Year	Annual Limit
2012	\$17,000
2013	\$17,000
	Limits subject to annual review by the IRS

Annual amount if not electing maximum = \$ _____

(e) ___ Individuals who are Age 50 or Over (or turn Age 50 during the year) may, in addition to the above annual limits above, make “Catch-Up” contributions. I am Age 50 or Over or will turn Age 50 during the year and I elect to make additional contributions up to the following maximums not exceeding the statutory limitation under IRC §414(v):

Year	Annual Limit
2012	\$5,500
2013	\$5,500
	Limits subject to annual review by the IRS

Age 50 amount if not electing maximum = \$ _____

(f) I designate to remit these voluntary contributions to the following authorized funding vehicles:

TIAA-CREF (gSRA) _____ %
 Fidelity Investments _____ %
= 100%

(g) Please contact Benefits if you have pre-tax outside interests with contributions to items such as a Keogh, Simplified Employee Pension (SEP), 401(k), other 403(b), etc. Contributions to outside interests may require employee plan contributions to be reduced.

___ I contribute/have contributed in this calendar year to a pre-tax outside interest that may require employee contributions through the University to be reduced.

Amount: _____ Source: _____ (documentation required)

(h) Signed this _____ day of _____, 20___

Employee Signature

Human Resources Representative

Employee ID Number

**AGREEMENT FOR SALARY REDUCTION UNDER SECTION 403(B)
DESIGNATION OF ELECTION FORM INSTRUCTIONS**

ITEM

- (a) Please print your name.**
- (b) Elections are effective the first day of a month coinciding with or after today's date. On the Salary Reduction Agreement, state when you want your elections to begin. Changes can be made at anytime, but will be effective the first day of a month.**
- (c) If you elect to contribute a specific percentage, list the amount here (if you are not sure of the percentage, you may list the preferred dollar amount). If you want to stop voluntary contributions, place a zero in this section.**
- (d) If you elect to contribute to your Annual Limit for the year (see chart for amount), check this box. Elections for maximum amounts carryover from year to year unless changed by submission of a new salary reduction agreement.**
- (e) If you are eligible and elect to take advantage of the Age 50 or Over Catch-up Provision (see chart for amount), check this box. The Annual Limit has to be elected in order to take advantage of this catch-up provision. Elections carryover from year to year unless changed by submission of a new salary reduction agreement.**
- (f) You must indicate an investment option(s) and the percentage amount(s) for each. These investment option(s) must total 100%.**
- (g) This section is for employees with specific retirement investments outside of the University. If you have other retirement investments on a pre-tax basis, the contribution amounts may affect the maximum amount you are permitted to contribute to the 403(b) plan.**
- (h) Please date and sign the form, and provide five or nine digit employee ID number.**

University 403(b) Voluntary Retirement Plan:

Voluntary contributions are allowed in conjunction with the standard plan. There are loan provisions and hardship withdrawal options for voluntary contributions. A loan amount is a minimum of \$1,000, and 110% of the loan amount must remain in the employee's account to be used as collateral. There are no early withdrawal penalties associated with loan provisions. IRS criteria has to be met for an employee to be eligible for a hardship withdrawal. A 10% early withdrawal penalty is incurred for a hardship withdrawal. Hardship withdrawal amounts are not paid back. Employee voluntary contributions are suspended for six months in conjunction with a hardship withdrawal.

Access to 403(b) Voluntary Contributions:

- Loan provisions from TIAA-CREF GSRA and Fidelity Investments. Minimum loan amount is \$1,000.00, must keep 110% of loan amount in voluntary account as collateral. Early withdrawal distribution penalty for default.**
- Hardship withdrawal is available (premiums only – earnings are not available). A 10% early withdrawal penalty is incurred if under age 59 ½. Withdrawal amounts are not paid back. Applicable taxes due for distribution. Employee voluntary contributions are suspended for six months.**
- Termination of employment. For personal distributions, will incur 10% early withdrawal penalty if under age 59½, and applicable taxes.**
- Retirement from University of Delaware. If over age 55 and under age 59 ½, there are some provisions that allow access without penalty (contact specific vendor for details). Various retirement payout options (lifetime annuities, systematic withdrawals, etc.).**
- After age 59 ½, withdrawal of voluntary contributions is authorized without penalty, will incur normal income taxes.**
- Death of employee. Beneficiary should contact investment vendor for assistance.**
- Mandatory Required Distribution (MRD) after age 70½ if no longer employed at the University of Delaware; MRD is required after age 75½ for contributions earned prior to 1987.**

Termination of employment prior to retirement:

- Leave accumulations with investment vendor, keep address up to date.**
- Take a personal withdrawal – will incur 10% early withdrawal penalty and normal income taxes.**
- Rollover/transfer to IRA.**
- Rollover/transfer to new employer's plan.**

**403(b) & 457(b) Retirement Plan
Counseling and Contact Information**

TIAA-CREF

Telephone Counseling Center: Dial 800-842-2776 and follow options in order to talk to a counselor. General website: <http://www.tiaa-cref.org>

Automated Telephone Service: Dial 800-842-2252 and follow options, enter social security number and password. A Password can be created via the telephone (must have social number, date of birth, and contract numbers available). Follow options to change personal account information.

Via Web: Log onto internet at <http://www.tiaa-cref.org>. Select login under “Secure Access” and then enter User ID and password for personal account access, if already established. To create user ID and password, select “create login” and follow the instructions on the screen.

FIDELITY INVESTMENTS

Telephone Counseling Center: Dial 800-343-0860 and follow options in order to talk to a counselor. General website: <http://www.fidelity.com>

Automated Telephone Service: Dial 800-343-0860 and follow options, enter social security number and pin. A Pin can be created via the telephone. Follow options to change personal account information.

Via Web: Log onto internet at <http://www.mysavingsatwork.com/atwork.htm>. Select “Access My Benefits” and enter social security number or customer ID and pin to access personal account information, if already established. A pin can also be created or changed by following the instructions on the screen.

ONE-ON-ONE COUNSELING SESSIONS:

Counseling sessions are held in the Human Resources 1st floor conference room.

TIAA-CREF: Call 800-842-2010 for an appointment.

Fidelity: Call 800-642-7131 for an appointment.

University of Delaware Point of Contact:

Investment Elections/Changes/Enrollments:

Corey Wright, Human Resources 831-2171 crwright@udel.edu

403(b) Retirement Plan Annual Contribution Limits

(Authorized by the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001)

The following chart summarizes the changes in tax law that impact the University 403(b) plan.

403(b) Plan Dollar and Percentage Limits					
Rule	2009	2010	2011	2012	2013
Limit on employee contributions	\$16,500	\$16,500	\$16,500	\$17,000	* \$17,000
"Catch-Up" contributions for participants 50 or over	\$5,500 additional	\$5,500 additional	\$5,500 additional	\$5,500 additional	* \$5,500 additional
Compensation limit for plan contributions for UD employees joining the plan after 7/1/1996	\$245,000	\$245,000	\$245,000	\$250,000	* \$250,000
Limit on employer plus employee contributions	\$49,000	\$49,000	\$49,000	\$50,000	* \$50,000

Note: * = Limits subject to annual review by the IRS.