

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

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

Under the University of Delaware 403(b) Retirement Program eligible full-time and part-time (50% time or more) members of the faculty and professional staff receive an 11% University contribution if the employee contributes a minimum 4% contributions on a tax-deferred basis. 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 to split between Fidelity Investments and TIAA-CREF in a variety of investment options.

BY THIS AGREEMENT, made between (a) _____ (please print 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 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 limitation under 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 \$265,000 for plan year 2016 for any salary reduction amounts to the University of Delaware 403(b) retirement program.

STANDARD PLAN FOR ELIGIBLE FACULTY AND PROFESSIONAL EMPLOYEES

The University will contribute on a tax-deferred basis an 11% contribution if the employee contributes, on a tax-deferred basis, a 4% minimum contribution. Participation is required for faculty and professional staff over age 35. Participation is encouraged for employees under age 35. Employees who are over age 35 cannot contribute less than 4% after previously electing 4% or more. Employees under the age of 35 may stop participation. Employees electing to contribute more than the minimum 4% need to complete the Voluntary Tax-Deferred Program section on the reverse.

I designate to remit the standard contribution percentages to the following authorized funding vehicles:

University of Delaware 11% Contribution

_____ % Fidelity Investments
+ _____ % TIAA-CREF (RA)
= 11 % Total

Employee 4% Contribution

_____ % Fidelity Investments
+ _____ % TIAA-CREF (RA)
= 4 % Total

VOLUNTARY TAX-DEFERRED PROGRAM

You may voluntarily elect to remit tax-deferred salary above the Standard Plan minimum 4% (within the limits established by the I.R.S.), to Fidelity Investments and/or TIAA-CREF. Unless otherwise specified, the amounts elected below will be deducted by the end of the calendar year in equal installments over the remaining pay periods.

(c) ___ I elect to contribute voluntary percentage (above the minimum 4%) _____ %

OR

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

Year	Annual Limit
2016	\$18,000
2017	\$18,000 – 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 maximum not exceeding the statutory limitation under IRC 414(v):

Year	Annual Limit
2016	\$6,000
2017	\$6,000 – 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) (see information sheet) _____ %
 TIAA-CREF (RA) _____ %
 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 University plan contributions to be reduced.

___ I contribute/have contributed (or will contribute) in this calendar year to a pre-tax outside interest that may require University plan contributions to be reduced.

Amount: _____ Source: _____ (documentation is 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.**
- (c) List the voluntary amount above the minimum 4% here.**
- (d) Check this box if electing annual limit. Elections for maximum amounts carryover from year to year unless changed by submission of a new salary reduction agreement.**
- (e) Check this box if age 50 or over and electing catch-up contributions above the annual limit. Elections carryover from year to year unless changed by submission of a new salary reduction agreement.**
- (f) Indicate investment option(s) for voluntary contributions. See information sheet below for TIAA-CREF RA and gSRA information.**
- (g) List other investment amounts outside of the University. Contribution amounts may affect the maximum amount you are permitted to contribute (or receive) to the 403(b) plan. See information sheet below.**
- (h) Please date and sign the form, provide your five or nine digit employee ID number.**

TIAA-CREF Retirement Annuity (RA)

TIAA-CREF Group Supplemental Retirement Annuity (gSRA)

The RA and gSRA each require a separate enrollment form.

The RA is the regular funding mechanism for contributions to TIAA-CREF accounts.

The 11% University contribution and the employee minimum 4% contribution automatically go to the RA account for those employees selecting TIAA-CREF.

Employee voluntary contributions above the minimum 4% may continue in the RA account and/or to a gSRA account.

Employees may elect to have their voluntary contributions go to a gSRA account instead of the RA account. There are two specific reasons why an employee may want to elect this:

- loan provisions. There are loan provisions available for voluntary contributions accumulated in a gSRA account, but not the RA account.
- Allocations to TIAA Traditional. Access to contributions to TIAA Traditional in the RA account is restricted to withdrawals of 10% per year over a 10 year period. Access to contributions to TIAA Traditional in the gSRA have no restriction – an individual may elect lump sum withdrawal, if desired. The percentage of earnings for TIAA Traditional in the RA account is more than that of the gSRA, generally 1% or higher.

There are no RA and gSRA investment differences or contribution access restrictions with the other TIAA-CREF investment options.

**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

University 403(b) Retirement Standard Plan for Faculty and Professional Staff Employees:

The Standard Plan is the University 11% contribution and employee 4% minimum contribution. There are no access provisions to standard plan accumulations while still employed with the University of Delaware.

Voluntary contributions are allowed in conjunction with the standard plan. Voluntary contributions are any amount above the standard plan minimum 4% contribution. There are loan provisions and hardship withdrawal options for voluntary contributions. 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. The University reviews all hardship withdrawal requests and determines whether an employee meets eligibility based on IRS criteria.

Access to 403(b) Contributions:

- Loan provisions from voluntary contributions only (TIAA-CREF SRA 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 for voluntary contributions only (premiums only – earnings are not available) (for TIAA-CREF RA contracts, Traditional investment option amounts are not available). A 10% early withdrawal penalty is incurred. 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. May need to set up a Transfer Payout Annuity with TIAA-CREF for Traditional accumulations in a RA contract.
- 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.). May need to set up a Transfer Payout Annuity with TIAA-CREF for Traditional accumulations in a RA contract.
- After age 59 ½, withdrawal of voluntary contributions is authorized without penalty, will incur normal income taxes. May need to set up a Transfer Payout Annuity with TIAA-CREF for Traditional accumulations in a RA contract.
- 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.

**OUTSIDE PRE-TAX INTERESTS (such as KEOGH, SIMPLE IRA, SEP IRA, 401(k)):
Effects on 403(b) Retirement Contributions**

Contributions to pre-tax outside interests are dollar for dollar offset of the 415 limit. The 415 limit is a combined limit of pre-tax contributions from various sources. Most individuals are only affected by University and employee contributions to the 403(b). Contributions to a 457(b) Plan are not included in the 415 limit.

For 2016 – 415 Annual Limit is \$53,000 (individuals eligible for Age 50 Catch-up amount of \$6,000 have a combined limit of \$59,000).

EXAMPLE:

403(b) Contributions:

University annual total:	\$27,500.00
Outside pre-tax interest contributions:	\$12,500.00
Total:	\$40,000.00

For the above example, employee contributions to the 403(b) from the University of Delaware in 2016 can be as much as \$24,000.00 (Age 50 or Over), or \$18,000.00 (Under Age 50).

Contact Human Resources for additional information.

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	2012	2013	2014	2015	2016
Limit on employee contributions (402g)	\$17,000	\$17,500	\$17,500	\$18,000	\$18,000
"Catch-Up" contributions for participants 50 or over	\$5,500 additional	\$5,500 additional	\$5,500 additional	\$6,000 additional	\$6,000 additional
Compensation limit for plan contributions for UD employees joining the plan after 7/1/1996	\$250,000	\$255,000	\$260,000	\$265,000	\$265,000
Limit on employer plus employee contributions (415 Limit) **	** \$50,000	** \$51,000	** \$52,000	** \$53,000	** \$53,000

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

**** = Age 50 Catch-up contributions can be excluded from 415 Limit, allowing total employer and employee contributions to be as much as \$59,000. Contact Human Resources for additional information.**