



**UNIVERSITY OF PUGET SOUND RETIREMENT SAVINGS PLAN
2018 SALARY REDUCTION AGREEMENT**

By this agreement, made between _____ (“faculty or staff member”) and the University of Puget Sound (“the University”), the parties hereto agree as follows:

Effective with respect to the amounts paid on or after _____, 2018 (a payroll date which is subsequent to the execution of this Agreement), the faculty or staff member’s pay will be reduced by the amount indicated below, and the University will contribute that amount on the faculty or staff member’s behalf to the faculty/staff member’s 403(b) Retirement Choice Plus account at TIAA-CREF, allocated as designated by the faculty or staff member among investment funds approved by the University. A Participant may **terminate** his or her deferrals as of the last day of any pay period by giving written notice to Human Resources prior to the last day of the applicable pay period. A Participant may **change** his or her contribution election by executing a new Agreement, to be effective with respect to amounts paid after the execution of the new Agreement.

Salary Reduction Contributions may be made on a **pretax basis**, which means that the amounts are not included in gross income at the time the contribution is made, or on an **after-tax basis** [Roth 403(b) Contribution], which means that the amount of the contribution is included in gross income at the time the contribution is made.

CONTRIBUTION ELECTION: Indicate the percentage of your compensation you wish to contribute as a Salary Reduction Contribution and designate which portion shall be treated as a pretax and/or after-tax Roth 403(b) contribution.

Salary Reduction Contributions are limited to \$18,500 in 2018, plus any additional amount a Participant is eligible to contribute as a catch-up contribution or special contribution. See page 2 for details about contribution limits. Check one or both boxes below if applicable to you.

Age 50 Catch-Up Contribution: I am at least age 50 (or will be age 50 by December 31, 2018). I elect to contribute up to the additional amount allowed by the IRS under this provision (\$6,000 in 2018 and subject to change in future years). My election to participate in the age 50 catch-up contribution will continue until I notify Human Resources in writing that I wish to discontinue such participation.

15-Year Special 403(b) contribution: I have completed 15 years or more of full-time equivalent service with the University and have attached a copy of the Tax-Deferred Annuity (TDA) Maximum Salary Reduction Calculation form from TIAA-CREF. (See page 2 for additional details.)

The Salary Reduction Contribution is taken per paycheck. **Any previous elections will be replaced with your elections on this agreement.** Enter “0” to end a deduction or a percentage to start/change a deduction.

Pretax contribution _____%	After-tax Roth 403(b) contribution _____%
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Faculty/Staff Member’s Signature _____ Date _____

Human Resources Representative’s Signature _____ Date _____

Return this completed form to Human Resources at 1500 N Warner #1064, Tacoma, WA, 98416-1064 or to CMB #1064

403(b) Maximum Contribution Limits

The following summary reflects provisions of The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) pertaining to tax-deferred 403(b) voluntary retirement contribution limits. This summary serves as an informational tool only. Faculty and staff members should contact TIAA-CREF at 1.800.842.2252 to obtain a maximum Salary Reduction Calculation to ensure compliance with IRC tax-deferred contribution limits.

The IRS limits the amount a participant may contribute into an employer's retirement plan. The limits are based on the calendar year, and may change year-to-year. The following information is addressing the amount faculty and staff members may contribute, **not** the contribution made to the 403(b) Plan by the University on a Participant's behalf. While the University will stop a Participant's salary reduction contribution when a Participant has exceeded the applicable limits, faculty and staff members should be aware that they are primarily responsible for ensuring their contributions do not exceed the allowable limits. The IRS requires that excessive contributions be refunded as taxable income. Excessive contributions may result in IRS penalties.

The basic annual contribution limit based on Internal Revenue Code Section 402(g) is \$18,500 for calendar year 2018. The amount you contribute into your Retirement Choice Plus account with the University of Puget Sound Retirement Savings Plan cannot exceed this amount, unless you elect one or both catch-up provisions shown below.

The following "catch-up" provisions allow eligible participants to exceed the 402(g) limit.

- **"Age 50" Catch-Up Contribution:** Individuals who are age 50 or older at the end of the calendar year may make an additional catch-up contribution of up to \$6,000 in 2018.
- **"15-Year" Special 403(b) contribution:** This special contribution is permitted for faculty/staff members who have at least 15 full-time equivalent (FTE) years of service at the University. Full-time equivalency takes into account periods of time when you worked less than 100 percent. For example, 0.5 FTE for 20 years translates to 0.5 X 20 years, or 10 years of full-time equivalent service for the purpose of determining whether you are eligible to defer the additional amount. **The maximum annual deferral amount permitted for this catch-up is \$3,000; the maximum lifetime deferral amount permitted for this catch-up is \$15,000.** Participants are required to track any "catch-up" contributions made utilizing the "15 year rule". Contact TIAA-CREF at 800.842.2252, option 0 to request the Tax-Deferred Annuity (TDA) Maximum Salary Reduction Calculation form. This calculation must be submitted to Human Resources for every calendar year in which you are electing to participate in the "15-Year" Special 403(b) contribution. Your maximum annual limit (and contributions) will be automatically reset to the limit established by the IRS, beginning on the first payroll in January of the following year, until we receive an updated form and calculation from you. Indicate your use of this provision by checking the appropriate box on page one of this form, and attach a copy of the TDA Salary Reduction Calculation form from TIAA-CREF.

Directing Your Investment Funds

You have the right to direct the investment of your entire account balance into the investment options offered in the Plan by TIAA-CREF. If you do not make an election with respect to the investment of institution plan contributions made on your behalf or your elective deferrals, the contributions will be invested in an age-based TIAA-CREF Lifecycle Index Fund – Retirement Class, which is the default investment fund selected by the university. The [Lifecycle Index Fund Fact Sheet](#) (available at <http://www1.tiaa-cref.org/tcm/pugetsound/>) provides additional information, including the investment objectives, risk and return characteristics, and fees and expenses.

You also have the option to change the way your contributions are invested at any time. If you would prefer to choose an investment other than a TIAA-CREF Lifecycle Fund for your future contributions, no fees or expenses will apply to that transfer.

For more information on your retirement plan or to obtain updated information on fees, expenses and more detailed explanation of the TIAA-CREF Lifecycle Funds and other investment choices, visit [TIAA-CREF](#) (<http://www1.tiaa-cref.org/tcm/pugetsound/>) view the [online enrollment demo](#) for help with any questions you might have concerning the enrollment process.