



Salary Reduction Agreement for FACULTY and PROFESSIONAL EMPLOYEES

Name: _____ (PRINT)	Employee ID: _____
Date of Birth: _____	Effective Date: _____

Type of Change: (check one)	<input type="checkbox"/> Begin or Resume Contributions
	<input type="checkbox"/> Change Future Contributions
	<input type="checkbox"/> Terminate Participation

PART I - Basic 403(b) Retirement Plan

(Contributions Matched by the University)

The University of Maine System (UMS) 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 (before-tax). Generally, salary reduction is more advantageous to employees. 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 with the sole record keeper (TIAA).

Check One: The employee contribution will be:

- ☐ **BEFORE-TAX** (salary reduction) or
- ☐ **AFTER-TAX** (salary deduction)

PART II – Additional Voluntary 403(b) Retirement Savings

Part II is for 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 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.

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 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.

1. The Employee's salary shall be reduced by the following amount and remitted to TIAA:

\$ _____ OR _____ % **Additional to Basic Retirement**

\$ _____ OR _____ % **UMS Tax Deferred Annuity Plan**

\$ _____ OR _____ % **UMS Roth 403(b) Plan**

NOTE: Please advise TIAA directly how you wish the funds allocated among the investment fund line up.

2. 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 III – Voluntary 457(b) Deferred Compensation 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 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. (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.)

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 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.

1. The Employee's salary shall be reduced by the following amount and remitted to TIAA:

\$ _____ OR _____ %

\$ _____ OR _____ % **UMS Roth 457(b) Plan**

NOTE: Please advise TIAA directly how you wish the funds allocated among the investment fund line up.

2. 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)
☐ **Final Three (3) Year Catch-Up** (Prior to Plan Normal Retirement Age 65)

PART IV – Employee Acknowledgement

1. I authorize the University of Maine System to remit the amount of salary reduction or deduction designated in **Parts I, II and III** to TIAA for contributions to an IRS defined 403(b) and/or 457(b) defined contribution plan. 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. The Employee shall be primarily responsible for determining the amount of his or her limits on contributions under **Sections 402(g), 403(b), 415, and 457(b)**.
3. 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

INSTRUCTIONS

Personal Information

Name:	Enter your legal name	EMPLID:	7-digit Employee identification number.
Date of Birth:	Enter your date of birth	Effective Date:	Enter the date of this agreement

Type of Change

Begin or Resume Contributions:	Check this box if you are a new participant.
Change Future Contributions:	Check this box if you wish to change your current participation.
Terminate Participation:	Check this box if you wish to stop participating. Note that collective bargaining contracts may require that you participate.

Part I – Basic 403(b) Retirement Plan

1. If participating, you will automatically have 4% withheld from your paycheck and will receive a 10% UMS matching contribution. Indicate whether you wish to have BEFORE-TAX payroll deductions or AFTER-TAX payroll deductions.
2. Make sure you advise TIAA (the sole record keeper) how you wish the funds allocated among the investment fund line up.

Part II – Additional Voluntary 403(b) Retirement Savings

In addition to participation in the Basic Retirement Plan, you may also have additional voluntary deducted from your paycheck on a BEFORE-TAX basis.

1. Enter either a flat amount or a percentage you wish to have deducted. Choose TIAA Additional to Basic Retirement if you wish to have your TIAA voluntary contributions combined with your basic contributions. Choose UMS Tax Deferred Annuity Plan if you wish to have your TIAA voluntary contributions separated from your basic contributions.
2. Check the box **Age 50 or above** if you are at least age 50. You will be allowed to tax-defer an additional Catch-up allowance as specified by the Internal Revenue Service.
3. Make sure you advise TIAA (the sole record keeper) how you wish the funds allocated among the investment fund line up.

Part III – Voluntary 457(b) Deferred Compensation Plan

You may also have 457(b) voluntary deductions from your paycheck on a BEFORE-TAX basis.

1. Enter the flat amount or percentage to be deducted.
2. Check the box **Age 50 or above** if you are at least age 50 or Final Three (3) Year Catch-Up (if eligible). You will be allowed to tax-defer an additional Catch-up allowance as specified by the Internal Revenue Service.
3. Make sure you advise TIAA (the sole record keeper) how you wish the funds allocated among the investment fund line up.

Part IV – Voluntary Roth 403(b) and 457(b) Plans

Part V – Employee Acknowledgement

Read the authorization information carefully and sign and date the form. **Please note that the new Agreement will replace any previous Agreement you may have submitted.**

Contact Information

Questions and/or completed forms can be directed to:

UMS Employee Benefits Center

Tel: Toll-free (866) 269-9635 or Local (207) 973-3373

Fax: (207) 561-3454

Email: benefits@maine.edu

65 Texas Ave., Bangor ME 04401