

**HOURLY PAID**



**Salary Reduction Agreement for HOURLY PAID EMPLOYEES**

|                               |                              |
|-------------------------------|------------------------------|
| <b>Name:</b> _____<br>(PRINT) | <b>Employee ID:</b> _____    |
| <b>Date of Birth:</b> _____   | <b>Effective Date:</b> _____ |

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

**PART I -- Basic Retirement Plan & Optional Retirement Savings Plan (ORSP)**

(Contributions Matched by the University)

The University sponsors Section 403(b) Basic and Optional Retirement Savings Plans (ORSP) for its eligible employees. The University contributes to the plan on behalf of each participating employee an amount specified in the applicable Summary Plan Description for the Basic Retirement Plan for Classified Employees or the Optional Retirement Savings Plan for each 1% contributed by the employee, up to a maximum employee contribution of 4%. The employee's contribution may be either a salary reduction (pre-tax) or salary deduction (after tax). Generally, salary reduction is more advantageous to employees.

**The parties agree as follows:**

- Commencing on the Effective Date and continuing indefinitely until the Agreement is terminated or the Employee ceases to be employed by the University in an eligible capacity, the employee's biweekly base salary shall be reduced by indicating how the contributions are to be apportioned among the following Vendors:

|                                    |                                    |                                    |                                    |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <input type="checkbox"/> <b>1%</b> | <input type="checkbox"/> <b>2%</b> | <input type="checkbox"/> <b>3%</b> | <input type="checkbox"/> <b>4%</b> |
| <u>PERCENTAGE*</u>                 |                                    | <u>VENDOR</u>                      |                                    |
| _____ %                            |                                    | <b>TIAA-CREF</b>                   |                                    |
| _____ %                            |                                    | <b>VALIC</b>                       |                                    |
| _____ %                            |                                    | <b>FIDELITY</b>                    |                                    |
| _____ %                            |                                    | <b>ING</b>                         |                                    |
| <b>100%</b>                        |                                    | <b>TOTAL</b>                       |                                    |

\*NOTE: Use whole percentage only. **You must establish contracts** prior to effective date of reductions.

- Employee contribution will be a salary reduction  **BEFORE-TAX** or salary deduction  **AFTER-TAX**. (check one)

**PART II -- Additional Voluntary 403(b) Tax-Deferred Annuity Plan**

**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 from approved companies designated by the employee.

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 from any approved company hereinafter designated by the Employee.



# INSTRUCTIONS

## Salary Reduction Agreement for HOURLY PAID EMPLOYEES

### Personal Information

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

### Type of Change

|                                       |   |
|---------------------------------------|---|
| <b>Begin or Resume Contributions:</b> | Check this box if you are a new participant.  |
| <b>Change Future Contributions:</b>   | Check this box if you wish to change your current participation.  |
| <b>Terminate Participation:</b>       | 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. Choose 1%, 2%, 3% or 4% of your base salary to be withheld from your paycheck and receive UMS matching contribution. Enter the percentage(s) next to the vendor in which you would like your contributions sent. The total of vendor percentages must equal 100%. **If you choose a vendor other than TIAA-CREF, you must first establish a contract with that alternate vendor (VALIC, FIDELITY or ING) before the Agreement is sent to the Employee Benefits Center.**
2. Indicate whether you wish to have BEFORE-TAX payroll deductions or AFTER-TAX payroll deductions.

### Part II – Additional Voluntary 403(b) Tax-Deferred Annuity Plan

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

1. Enter either a flat amount or a percentage you wish to have deducted next to the vendor you wish to have your contributions sent. Choose TIAA-CREF Additional to Basic Retirement if you wish to have your TIAA-CREF voluntary contributions combined with your basic contributions. Choose TIAA-CREF Group SRA if you wish to have your TIAA-CREF voluntary contributions separated from your basic contributions. **If you choose a vendor other than TIAA-CREF, you must establish contracts with that alternate vendor (VALIC, FIDELITY or ING) before the Agreement is sent to the Employee Benefits Center.**
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.

### Part III – Voluntary 457(b) Tax-Deferred Annuity Plan

You may also have 457(b) voluntary deductions from your paycheck and sent to one of our retirement plan vendors on a BEFORE-TAX basis.

1. Enter the flat amount to be deducted next to your corresponding vendor of choice. **If you choose a vendor other than TIAA-CREF, you must establish contracts with that alternate vendor (VALIC, FIDELITY or ING) before the Agreement is sent to the Employee Benefits Center.**
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.

### Part IV – 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](mailto:benefits@maine.edu)

16 Central St., Bangor ME 04401