

FACULTY/PROFESSIONAL



Maine's
Public
Universities

UNIVERSITY OF MAINE SYSTEM

Salary Reduction Agreement for FACULTY and PROFESSIONAL EMPLOYEES

Name: _____ (PRINT)	EMPLID: _____
Date of Birth: _____	Effective Date: _____

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

PART I - Basic 403(b) Retirement Plan

The University 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 (pre-tax). Generally, salary reduction is more advantageous to employees. **This Part I is solely for those employees who wish to make their mandatory contribution to the Plan by salary reduction.** 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. The employee must designate how the contributions are to be apportioned among the following Vendors:

<u>PERCENTAGE*</u>	<u>VENDOR</u>
_____ %	TIAA-CREF
_____ %	AIG RETIREMENT
_____ %	FIDELITY
_____ %	ING

***NOTE:** Use whole percentage only. **You must establish contracts** and **submit application to vendor** prior to effective date of reductions.

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

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

Part II 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**. The University, as an accommodation to such an employee, will agree to reduce the employee's base or 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. (An employee's gross salary for purposes of this **Part II** 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.)

