

FACULTY/PROFESSIONAL



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 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. The employee must designate how the contributions are to be apportioned among the following Vendors:

<u>PERCENTAGE*</u>	<u>VENDOR</u>
_____ %	TIAA-CREF
_____ %	VALIC
_____ %	FIDELITY
_____ %	ING
100%	TOTAL

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

- The 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.

INSTRUCTIONS

Salary Reduction Agreement for FACULTY and PROFESSIONAL EMPLOYEES

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. Enter the percentage(s) next to the vendor in which you would like your contributions sent. The total of all 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

16 Central St., Bangor ME 04401