

The Texas A&M University System TDA Salary Reduction Agreement/Change of Vendor Form

With few exceptions, you have the right to request, receive, review and correct information about yourself collected using this form.

Before completing this form, read and follow the instructions on page three.

Name (Print)

Social Security number or UIN

Daytime telephone

Department

Agency/institution name

A. EFFECTIVE DATE

The following election to participate in either type of Tax-Deferred Account will be effective for:

- Option 1: the next available payroll,
- Option 2: specify paydate _____, or
- Option 3: upon termination or retirement, defer my lump-sum vacation pay.

As authorized by the provisions of Section 403(b), United States Internal Revenue Code, The Texas A&M University System is hereby authorized to reduce my future compensation to purchase for me a nonforfeitable 403(b)(1) or 403(b)(7) Tax-Deferred Account as described below.

B. SELECT/CHANGE CONTRIBUTION AMOUNT AND SELECT VENDOR (if changing vendor only, see section C)

- Reduce my gross compensation by \$ _____ (fixed dollar amount) or _____% (percentage) per month for deposit in a Tax-Deferred Account. Allocate this amount with the vendor(s) listed below as indicated.
- Upon termination or retirement, defer \$ _____ or _____% of my lump-sum vacation pay for deposit in a Tax-Deferred Account. Allocate this amount with the vendor(s) listed below as indicated.

Regular TDA (your contributions are not taxed, but your earnings are)

Dollar Amount/Percentage _____ Vendor #1 _____
 Dollar Amount/Percentage _____ Vendor #2 _____

Roth TDA (your contributions are taxed, but your earnings are not)

Dollar Amount/Percentage _____ Vendor #1 _____
 Dollar Amount/Percentage _____ Vendor #2 _____

This Salary Reduction Agreement will be in effect until (1) a new agreement is submitted, (2) the calculated maximum as determined by the A&M System is reached, (3) the end of the month during which the Human Resources or Payroll office receives my written request to stop the TDA salary reduction agreement, or (check one of the following):

- indefinitely and deducted on a 12-month basis;
- indefinitely and deducted on an academic-year basis (9-month basis for September through May only);
- through the end of this calendar year only (in which case the stop date will be Dec. 31 and another agreement must be submitted for future calendar year participation);
- for _____ (number) months during this calendar year, _____ through _____, and (optional) for _____ months during future calendar years, _____ through _____; or
- upon termination or retirement, a one-time lump-sum deferral.

In the calendar year for which this agreement applies, have you made: 401(k) salary reduction contributions or SIMPLE 401(k) contributions with any employer, 408(k)(6) salary reduction SEP amounts or 408(p) SIMPLE IRA amounts with any employer, 403(b) salary reduction contributions with employers other than the A&M System, or any 501(c)(18) plan elective deferrals?

- Yes (Amount: \$ _____) No

This agreement is inclusive as written and supersedes all previous agreements. Existing vendors will be amended or continued only to the extent specifically stated above. Contributions to existing vendors not indicated on this agreement will be terminated.

C. CHANGE VENDOR ONLY

I elect to change my Tax-Deferred Account vendor

Regular TDA (your contributions are not taxed, but your earnings are)

Vendor #1: from _____ to _____
Name of current vendor Name of new vendor

Vendor #2: from _____ to _____
Name of current vendor Name of new vendor

Roth TDA (your contributions are taxed, but your earnings are not)

Vendor #1: from _____ to _____
Name of current vendor Name of new vendor

Vendor #2: from _____ to _____
Name of current vendor Name of new vendor

I understand the dollar amount or percentage amount of my contribution will not change.

D. EMPLOYEE AGREEMENT

I understand that I bear the risk of the performance of the product(s) of my choosing, that The Texas A&M University System has no fiduciary responsibilities in this area, and that The Texas A&M University System is not liable for any tax consequences occurring under this program. I acknowledge that current federal tax code requires that I begin receiving a minimum distribution from the accumulated funds by April 1 following the year in which I reach age 70½ or retire, whichever is later. This agreement shall be legally binding and irrevocable with respect to salary earned while this agreement is in effect. I understand that either party may change or terminate this agreement as of the end of any month, so that it will not apply to compensation not yet received, by giving written notice of the date of the change or termination. I understand and agree to the following conditions:

1. My election will be subject to retroactive opinions and rulings issued and to be issued by the Internal Revenue Service affecting Section 403(b), Section 415 and 402(g) of the Internal Revenue Code.
2. Any change in interpretation of Sections 403(b), 415 or 402(g) of the Internal Revenue Code or Regulations may require recalculation of my maximum contribution limit and a change in the amount and/or tax status of accounts purchased under provisions of that Code.
3. In the event of any adverse ruling by the Internal Revenue Service regarding the calculation of my maximum contribution limit or my purchase of Tax-Deferred Accounts, I agree to be responsible to the Internal Revenue Service and acknowledge that The Texas A&M University System has the right to make such adjustments in the amount of my maximum contribution limit as deemed necessary by the System for compliance with such rulings.

Employee signature Date

E. VENDOR INFORMATION (required only if using individual vendor representative)

Name of Representative Company

Telephone number Fax number Email address

F. TO BE COMPLETED BY YOUR HUMAN RESOURCES OR PAYROLL OFFICE

Processed by _____ Date _____

INSTRUCTIONS

1. Complete Section A of the form to indicate the effective date of this agreement. Your TDA contribution will be deducted from the pay you receive during or after the effective month you choose, depending on whether payroll has been processed for that month. For example, if an employee paid monthly turns in a form before payroll runs in January with an effective month of January, the first deduction will be made from the paycheck received at the beginning of February. Likewise, if an employee paid biweekly turns in a form on or before payroll runs in January with an effective month of January, the first TDA deduction will be made from the paycheck that covers the first pay period that begins after Jan. 1. The employee would typically receive this paycheck a week after the employee turns in the timesheet for that period.
2. Complete Section B if starting a new TDA or changing a contribution amount and vendor. Indicate the total amount or percentage you wish to have deducted from your paycheck on a monthly basis. Then specify the percentage (whole numbers only) or dollar amount of that contribution you wish to have sent to each vendor and the name of the vendor. If you reduce your gross compensation by a percentage amount rather than a fixed-dollar amount, you must allocate that amount to the vendors by percentages rather than dollar amounts. For example, if you choose to reduce your salary by 6% and you would like that amount allocated evenly to two vendors, you should indicate 50% to vendor #1 and 50% to vendor #2.

Read the conditions under which the agreement will remain in effect and select one of the four options. Select the first option if you intend for this agreement to continue indefinitely for all pay periods for which you are paid during this and subsequent calendar years. Select the second option if you only want the deductions to be taken out on a 9-month (September through May) basis. Select the third option if you want this agreement to continue only through the end of the current calendar year. If you choose the third option, you must submit a new Salary Reduction Agreement to contribute again during subsequent years. Select the fourth option if you want this agreement to be effective for a specific number of months. State the months for the current calendar year and, if applicable, future calendar years. For example, choose this option if you want your monthly contribution to be taken for January through June only.

Other contributions disclosed in Section B will reduce the maximum amount you are allowed to contribute to your TDA.

Note: Salary Reduction Agreements with an effective month of December will be considered agreements for the next calendar year since December pay is received in the next calendar or tax year.

3. Complete Section C of this form if you are only changing your vendor(s) and not the contribution amount(s) to an existing TDA.
4. Read, sign and date Section D.
5. Complete vendor information in Section E if you are working with an individual vendor representative such as an insurance and annuity company agent or mutual fund broker. This is not required if you are not working with an individual vendor representative.
6. New TDA participants must attach a copy of the vendor application.
7. Make a copy of this form for your records.
8. Return the form to your Human Resources or Payroll office for processing.