

**ILLINOIS STATE UNIVERSITY TAX DEFERRED COMPENSATION PLAN  
PAYROLL DEDUCTION AGREEMENT**

Name \_\_\_\_\_ University ID# \_\_\_\_\_

Department Mail Code \_\_\_\_\_ Department Name \_\_\_\_\_

Date of Birth \_\_\_\_\_ Date of Employment \_\_\_\_\_

Have you made contributions to a 403(b) through ANOTHER EMPLOYER this calendar year?

Yes \$ \_\_\_\_\_  No

**ALLOCATION OF SALARY REDUCTION CONTRIBUTIONS**

I hereby elect to allocate my salary reduction contributions to the Illinois State University Tax Deferred Compensation Plan ("Plan") among the following approved vendors (*total must equal 100%*):

\_\_\_\_\_ % Fidelity (034)

\_\_\_\_\_ % TIAA-CREF (010)

I certify that I have submitted an application to open a 403(b) account under the Plan with one of the above vendors and I agree to provide confirmation of my active account status with this form. **This box must be checked for this form to be processed.** I understand that if I have not established an account under the Plan with the vendor I have chosen, the vendor may return any contributions made on my behalf to the University.

**AUTHORIZATION TO MAKE CONTRIBUTIONS**

I hereby direct the University to reduce my gross pay (as defined under the Plan) each paycheck by \_\_\_\_\_%, (please utilize the employee percentage worksheet below) which must equal at least \$200 annually, and to forward this salary reduction contribution to the vendor or vendors I have selected above. I understand that my salary reduction contributions to the Plan each calendar year cannot exceed the maximum contribution limits set forth on the reverse of this Agreement. If your salary reduction contribution for a pay period exceeds your compensation available for reduction, the University will reduce your salary reduction contribution as necessary.

**EFFECTIVE DATE**

I understand that this Agreement will take effect as soon as administratively practicable following the date I complete this Agreement and return it to 1300 Human Resources or Human Resources 101 Nelson Smith Building, and will continue in effect until such time that I terminate or change the Agreement. I understand that I may change this Agreement at any time, and that I may terminate this Agreement at any time. I understand that this Agreement is legally binding and irrevocable as to amounts paid or made available to me while the Agreement is in effect, and that the University may reduce or terminate this Agreement at any time if necessary to comply with the applicable provisions of the Internal Revenue Code. I agree to the terms of this Agreement, including those listed on page two of this Agreement.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Benefits Office Signature

\_\_\_\_\_  
Date

**Employee Percentage Worksheet:** Salary reduction contributions to the Plan must be stated as a percentage of gross pay. Use the following formula to calculate a percentage from a desired dollar amount. If your gross pay varies, estimate your usual gross pay to calculate a contribution percentage:

A) \_\_\_\_\_ Gross pay per paycheck

B) \_\_\_\_\_ Desired 403(b) contribution

C) \_\_\_\_\_ Resulting 403(b) percentage (B divided by A multiplied by 100)

Please indicate if you would like to use a catch-up provision:  \*15 Year Rule  Age 50 (Note: The 15 Year provision must be utilized first and you must meet all requirements under the Plan to utilize a catch-up provision.)

**FOR HR AND PAYROLL USE ONLY:**

Date of First Payroll Deduction: \_\_\_\_\_

Annual Contribution Limit: \_\_\_\_\_

### **Applicable Plan Contribution Limits**

- I understand that Code Section 402(g) limits my salary reduction contributions to the Plan under this Agreement to a "dollar limit." The general dollar limit is \$16,500 for calendar year 2009 (this dollar limit will be adjusted by cost of living increases thereafter). However, my actual dollar limit may be higher than the general dollar limit if I have 15 years of service with the University or if I will be 50 years old (or older) by the end of the calendar year.
- If I have completed 15 years of service with the University before this year, I understand that I may make "catch-up" salary reduction contributions in excess of the general dollar limit up to the lesser of (1) \$3,000 over the general dollar limit or (2) \$5,000 times my years of service with the University minus *all* of the salary reduction contributions I have made to the 403(b) Plan and any other retirement plans sponsored by the University in previous years. The maximum lifetime limit is \$15,000 for salary reduction contributions made under this special rule above the general dollar limit. These catch-up salary reduction contributions are referred to as a "15 years of service catch-up," and must be made before age 50 catch-up contributions.
- If I will be at least 50 years old by the end of the calendar year, I understand that I may make additional "catch-up" salary reduction contributions above the general dollar limit and the 15 years of service catch-up. These additional catch-up salary reduction contributions, which are referred to as "age 50 catch-up contributions," are provided under Code Section 414(v). I understand that the amount of the age 50 catch-up contributions that I may make above the general dollar limit is up to an additional \$5,500 for 2009 (this dollar amount will be adjusted by cost of living increases thereafter).
- I understand that the dollar limit, with all appropriate adjustments described above, applies to any salary reduction contributions I make in a calendar year to any retirement plans in which I participate (not including SURS, a 457(b) plan, deferred compensation plans or flexible benefit plan contributions), including plans maintained by other employers.
- I understand that if my salary reduction contributions to the Plan and other retirement plans in which I participate exceed the applicable dollar limits, the excess will be taxable both in the year the contribution was made and in the year of distribution unless I timely request to have the excess returned to me. To have the excess returned to me, I must notify the University or my vendor of the excess before March 1 of the year following the year in which the excess contribution was made (*e.g.* March 1, 2009 for excess amounts deferred in 2008). If the notice is timely given, my vendor will distribute the excess amount of the contribution (with any accrued earnings or applicable losses) to me on or before April 15 of the year following the excess contribution.
- I understand that my salary reduction contributions to the Plan and other retirement plans for each year are also limited, except as permitted under Code Section 414(v) allowing age 50 catch-up contributions, by the general rules of Code Section 415 to the lesser of \$49,000 for 2009 (this dollar amount will be adjusted by cost of living increases thereafter) or 100% of compensation.

### **Additional Representations**

- I authorize the University to release or obtain from my vendor any information that it may reasonably require in order to calculate my contribution limits or to administer the Plan.
- I acknowledge that the University does not warrant the appropriateness or performance of a particular vendor or the investment options offered by that vendor, and shall not be responsible for any penalties or tax consequences resulting from this Agreement. I acknowledge that my rights to benefits under the Plan shall be solely against my vendor(s), and not against the University or the State. I waive any rights or causes of action I may have against the University or the State arising out of my participation in the Plan.
- I agree to follow the rules and procedures of the University, the Plan, and my vendor or vendors.