

IU Tax Deferred Account (TDA) Plan Salary Deferral Agreement

Name: _____ Indiana University ID #: _____

Campus Phone #: _____ Department: _____ Campus: _____

1.	<p>Salary Deferral Amount. I request to defer the following amount from eligible compensation, effective as of _____, 20____, as an elective deferral in accordance with and subject to IRS rules and regulations (TO STOP CONTRIBUTIONS, SELECT #4 BELOW):</p> <p><input type="checkbox"/> _____% of my eligible compensation per pay period.</p> <p><input type="checkbox"/> IRS maximum amount (Internal Revenue Code (IRC) §402(g)(1)) deferred over remaining pays in the calendar year.</p> <p>Remit reductions to the following investment company(s).* If only one vendor is checked, all reduction contributions will go to that vendor. If split, total % must equal 100%.</p> <p style="text-align: center;">_____ % TIAA-CREF _____ % Fidelity</p> <p style="text-align: center;"><i>*Participant must have an established tax deferred annuity account with each vendor selected above.</i></p>
2.	<p>Pay Cycle: <input type="checkbox"/> 26 Pay <input type="checkbox"/> 12 Pay <input type="checkbox"/> 10 Pay</p>
3.	<p>Catch-up Contributions. The age 50 or older catch-up contribution provision permits a participant to defer more than the annual elective deferral limit <i>if the participant qualifies</i>. If I qualify, I request to defer the following amount as a catch-up contribution:</p> <p>Age 50 or Over <input type="checkbox"/> _____% OR <input type="checkbox"/> IRS maximum amount (IRC §414(v)(2))</p>
4.	<p>Termination of Agreement.</p> <p><input type="checkbox"/> I hereby terminate my salary deferral agreement. I acknowledge that termination of my salary deferral agreement will become effective as soon as administratively possible, but in no event will termination of my salary deferral agreement be retroactively effective.</p>

Employee Acknowledgement

- I authorize Indiana University to remit the salary deferral amount(s) designated above to the designated investment vendor(s) as contributions to the IU Tax Deferred Account Plan, formerly the IU Tax Deferred Annuity Plan (Plan), an IRC §403(b) plan.
- I acknowledge this agreement will take effect as of the beginning of the pay period containing the effective date in Section (1.) or as soon as administratively feasible thereafter, and will remain in effect until I change (revoke or modify) it. I may change this agreement only by providing a new salary reduction agreement to my campus Human Resources office no later than 30 days prior to my next pay day.
- I acknowledge this agreement applies only to compensation not yet paid or made available to me.
- I acknowledge that Indiana University may revoke or modify this agreement at any time to comply with applicable IRS limits.
- I acknowledge that Indiana University does not warrant the performance or the appropriateness of any investment or the tax consequences or excludability and will not be responsible for any penalties or tax consequences resulting from this agreement.
- I acknowledge that the Plan does not allow for withdrawals, except after reaching age 59^{1/2}, while employed at Indiana University.
- I am aware of the fees and expenses charged by the designated investment vendor(s).
- I acknowledge that elections to defer the maximum amount possible are processed over the remaining pays in a calendar year without taking into account mid-year terminations of employment or decreases in base salary.

Signature: _____ Date: _____, 20____.

UHRS Use Only: Accepted by: _____ Date: _____

Please make a copy for your records and return original to your campus Human Resources office.

INTERNAL REVENUE CODE CONTRIBUTION LIMITS

Annual Dollar Limit on Elective Deferrals (IRC §402(g)(1))

Internal Revenue Code (IRC) §402(g)(1) limits the amount of salary deferral contributions that can be contributed to the IU Tax Deferred Account Plan and to all IRC §403(b) plans, §401(k) plans, and other similar type of plans in which an employee participates in any calendar year. (Please note that deferrals made to the IU Retirement Savings Plan (IRC §457(b) plan) are not limited by IRC §402(g)(1).)

The annual dollar limit is the lesser of 100 percent of the employee's compensation for the calendar year or the "applicable dollar amount." The "applicable dollar amount" is \$16,500.

Please note that Indiana University does not monitor elective deferrals made to any business entity other than Indiana University. Therefore, an employee must self-monitor elective deferrals made to the Veterans Administration Hospital, Clarian, the IU Foundation, private practice associations, former employers, etc.

Age 50 or Older Catch-up Contributions (IRC §414(v)(2))

For participants who are at least age 50 before the end of the plan year, the current dollar limits on elective deferrals are increased. The additional amount of elective deferrals that are permitted to be made by an eligible participant is the lesser of (i) the participant's compensation for the year reduced by any other elective deferrals of the participant for the year or (ii) the "applicable dollar amount." The applicable dollar amount is \$5,500.

Age 50 or older catch-up contributions will not be taken into account in applying the annual dollar limit on elective deferrals (IRC §402(g)(1)) or the annual contribution limit (IRC §415(c)(1)).

Annual Contribution Limit (IRC §415(c)(1))

The IRC limits the amount of employer contributions and elective deferrals that can be made to the IU Tax Deferred Account Plan, IU Retirement Plan, and the IRC §403(b) plan portion of the IU 18/20 Retirement Plan on behalf of a participant. The maximum amount contributions that can be contributed to all of the plans on behalf of a participant for a limitation year is the lesser of:

- (1) 100 percent of the eligible employee's compensation; or
- (2) \$49,000 (as adjusted for cost-of-living).

Employer contributions made to the IU Retirement Plan and to the IRC §403(b) plan portion of the IU 18/20 Retirement Plan may limit the amount of elective deferrals that a participant may make to the IU Tax Deferred Account Plan.