

TEXAS STATE UNIVERSITY
Tax Deferred Account Program: Salary Reduction Agreement

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 pay date _____, or
- Option 3: upon termination or retirement, defer my lump-sum vacation pay.

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

B. SELECT/CHANGE CONTRIBUTION AMOUNT AND SELECT VENDOR

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

Regular TDA (pre-tax)	Roth TDA (after-tax)
Amount _____ Vendor _____	Amount _____ Vendor _____
Amount _____ Vendor _____	Amount _____ Vendor _____

C. CANCELLATION (only complete if canceling TDA participation)

Cancel my current salary reduction agreement(s) of \$_____ per month for my

- Regular TDA _____ vendor(s)
- Roth TDA _____ vendor(s)

This agreement is inclusive as written and supersedes all previous agreements. This salary reduction agreement will remain in effect until (1) a new agreement is submitted or (2) the calculated maximum as determined by Texas State University is reached.

D. EMPLOYEE AGREEMENT

I understand that it is my responsibility to complete an application to open an account with the vendor I have selected. I understand that I bear the risk of the performance of the product(s) of my choosing, that Texas State University has no fiduciary responsibilities in this area, and that Texas State University 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 70 ½ or retire, whichever is later. This agreement shall be legally binding and irrevocable with respect to salary earned while the 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 of 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 calculations of my maximum contribution limit of my purchase of Tax Deferred Accounts, I agree to be responsible to the Internal Revenue Service and acknowledge that Texas State University has the right to make such adjustments in the amount of my maximum contribution limit as deemed necessary by Texas State University for compliance with such rulings.

Signature of Employee: _____

TX State ID#: _____

Please Print Name: _____

Date Signed: _____

Vendor Representative Name: _____

HR Processed By/Date: _____

Check Date: _____