

CARNEGIE MELLON
UNIVERSITY

**SALARY REDUCTION AGREEMENT
UNDER SECTION 403(B)**

Employee Name _____
Please Print Last First MI

Employee SSN _____

This form authorizes salary reduction contributions under the TDA program (offered by TIAA-CREF and Vanguard) and Roth 403 (b) (offered by Vanguard). Please read the shaded areas and then complete the unshaded areas on both pages of the form. This form should be used only when INITIATING contributions to a Tax-Deferred Annuity (TDA) plan. After initial enrollment, the online HR Connection system should be used to change, stop or restart contributions.

- I am paid monthly.
- I am paid bi-weekly.
Deductions for bi-weekly employees will be taken from the first two pays of each month.

Effective Date of Salary
Reduction *
_____ 1, 2012

*NOTE: Regardless of the effective date shown, this agreement will not take effect earlier than the next month *that begins* after this form is received in the Payroll and Benefit Administration Office (or the current month if the form is received on the 1st of the month). It is irrevocable with regard to compensation earned while it is in effect. The agreement can be terminated by designating zero (0) as the amount of salary reduction in HR Connection.

Elections on new forms will replace in their entirety your current elections. Be sure to indicate your total contribution amounts to both carriers and to Roth accounts.

The employee agrees that his/her salary from the University shall be reduced as shown below. In return, the University agrees to make a contribution on the employee's behalf to the designated funding vehicle for the purchase of an annuity certificate (TIAA-CREF) or deposit into a custodial account (Vanguard) under section 403(b) of the Internal Revenue Code of 1986, as amended (the "Code").

Those who will be age 50 or older during the calendar year 2012 are eligible to make a "catch-up contribution" of \$5,500 in 2012, in addition to their regular contribution limit.

I certify that I will be at least 50 years old on or before December 31, 2012.

Initial: _____

- Maximum IRS Allowable Annual Contribution, divided equally among (check below):
 TIAA-CREF GRA TIAA-CREF GSRA Vanguard TDA Vanguard Roth
Note: If you select this option, do not designate specific amounts below. You must have an existing account of each type selected above, or submit enrollment forms for new accounts.

To TIAA-CREF for a Group Retirement Annuity (GRA): \$ _____ per pay.
Note: You must have had a GRA supplemental account before April 2006.

To TIAA-CREF for a Group Supplemental Retirement Annuity: \$ _____ per pay.

To Vanguard TDA Custodial Account: \$ _____ per pay.

To Vanguard ROTH 403(b): \$ _____ per pay.

TOTAL SALARY CONTRIBUTION PER PAY: \$ _____ per pay.

In the event your contributions reach the annual maximum, they will cease for the remainder of the calendar year and resume with the new calendar year. The back of this form contains more information on the application of the dollar limits. To obtain a TDA calculation or to receive assistance with these limits, call 1-800-842-2776, even if you use Vanguard.

See page 2 for more information, to elect your contribution schedule and to sign the form.

Please read this page and complete the white sections below.

The employee understands that, while the University is pleased to permit TIAA-CREF and Vanguard to offer these programs to employees of the University, the University cannot (and does not) endorse any funding vehicle or guarantee any investment results.

It is understood that the Code imposes a number of different limits on how much can be contributed to annuity contracts/certificates and custodial accounts under section 403(b) of the Code, including limits on salary reduction contributions alone (such as the dollar limit under section 402(g) of the Code, presently \$17,000) and limits on the combination of salary reduction contributions and University contributions under the Faculty and Staff Retirement Plan. The University has the authority to reduce the amount of salary reduction as necessary to comply with those limits. Any amount that cannot be taken as salary reduction will be paid as salary.

It is further understood that the legal limits on contributions are coordinated with plans of other employers in two circumstances:

(1) the dollar limit on salary reduction contributions is coordinated with salary reduction contributions made on behalf of the employee under any other plan, including 403(b) and 401(k) plans of all other employers, during the same calendar year, and

(2) the limit on the combination of salary reduction contributions and University contributions under the Faculty and Staff Retirement Plan is coordinated with all contributions and benefits received by the employee under a retirement plan of any other employer that the employee "controls" within the meaning of section 415(g) of the Code, such as a sole proprietorship or a partnership or corporation in which the employee (and certain relatives) owns more than 50% of the capital or profits interest.

Since the University has no knowledge of plans other than those to which the University contributes, the employee acknowledges that it is the employee's responsibility to assure that contributions and/or benefits under those other plans are appropriately limited.

- I wish salary reduction to be taken from every pay when I have salary and from which benefit deductions are taken, recognizing that I may not have salary during the summer.
- I wish salary reduction to be taken only from eligible pays during the 9 months of the academic year and have chosen the amount accordingly.

The employee acknowledges having read and understood this salary reduction agreement.

Print name

Signature

Date