

CARNEGIE MELLON
UNIVERSITY

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

Employee Name
Please Print

_____ Last

_____ First

_____ MI

Employee SSN

This form is used to authorize salary reduction contributions under the Tax-Deferred Annuity (TDA) program (offered by TIAA-CREF), Tax-Deferred Retirement program and Roth 403 (b) (offered by Vanguard). Please read the shaded areas and then complete the unshaded areas on both sides of the form.

I am paid monthly.

I am paid bi-weekly.

**Effective Date of Salary
Reduction ***

_____ **1, 2009**

***NOTE:** Regardless of the effective date shown, this agreement will not take effect earlier than the next pay period *that begins* after this form is filed with the University. It is irrevocable with regard to compensation earned while it is in effect. The agreement can be terminated at any time by filing a new form with the University showing zero (0) as the amount of salary reduction.

The employee agrees that the employee's 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 (in the case of contributions to TIAA-CREF) or deposit into a custodial account (in the case of contributions to 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 2009 are eligible to make a "catch-up contribution" of \$5,500.00 in 2009, in addition to their regular contribution limit.

I certify that I will be at least 50 years old on or before December 31, 2009.

Initial: _____

To TIAA-CREF for a Group Retirement Annuity (GRA): \$ _____ per month.

Note: You must have had a GRA supplemental account before April 2006.

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

To Vanguard Custodial Account: \$ _____ per month.

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

TOTAL SALARY REDUCTION* \$ _____ **TOTAL**
per month.

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.

Please refer to the back of this form for more elections, information and a signature line.

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 \$16,500) 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 month when I have salary, recognizing that I may not have salary during the summer.
- I wish salary reduction to be taken only 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