

# TX Salary Deferral Agreement

University of Michigan 457(b) Deferred Compensation Plan

On this form, you authorize the amount(s) to be contributed from your salary to a tax-deferred 457(b) deferred compensation plan on your behalf. Please print all information in **black** ink.

|                                     |  |        |
|-------------------------------------|--|--------|
| <b>For Benefits Office Use Only</b> |  | 4/2008 |
| Approved: _____                     | TC: <input type="checkbox"/> D <input type="checkbox"/> R <input type="checkbox"/> OF  |        |
| Date: _____                         | Fid: <input type="checkbox"/> D <input type="checkbox"/> R <input type="checkbox"/> OF |        |
| Pay: _____                          |  |        |

## 1. Faculty or Staff Member Information

|                                    |  |                      |                           |
|------------------------------------|--|----------------------|---------------------------|
| Name (Last, First, Middle Initial) |  | UMID Number          | US Social Security Number |
| E-mail                             | <input type="checkbox"/> Monthly paid<br><input type="checkbox"/> Bi-weekly paid | Daytime Phone Number | Daytime FAX Number        |

## 2. Effective Date (Check one)

**FIRST AVAILABLE PAY PERIOD:** Elections to enroll, cancel, or change your salary deferral contribution shall be effective no earlier than the month following the date your Agreement is filed with the Benefits Office. For **bi-weekly** paid staff, Agreements filed on or after the 15<sup>th</sup> day of any month are generally made effective no earlier than the second pay period of the following month.

**FUTURE PAY DATE:** \_\_\_\_\_

## 3a. Salary Deferral Amount

Enroll    Change Amount    Cancel    No Change

- Enter the amount of compensation you wish to defer **per pay period**. If you are paid bi-weekly, this amount will be deferred from each paycheck, not as a monthly total.
- This amount will remain in effect until you submit another form to change or cancel it.
- If you already defer compensation and are changing the amount, indicate the new **total** amount of the deferral, not just the amount of the change.

I request to defer my eligible U-M compensation **per pay period** into the U-M 457(b) deferred compensation plan by the amount indicated below. **(Enter whole dollar amounts only)**

**AMOUNT PER PAY PERIOD**      \$ \_\_\_\_\_

## 3b. Investment Company

Enroll    Change Investment Company    No Change

I request to allocate the deferral amount indicated in Section 3a to the investment company(ies) as indicated below. **(Check one)**

100% TIAA-CREF

100% Fidelity Investments

50% TIAA-CREF & 50% Fidelity Investments

Other: \_\_\_\_\_% TIAA-CREF & \_\_\_\_\_% Fidelity

## 4. Salary Deferral Agreement and Signature

I understand and agree to the following terms and conditions:

- This Agreement is legally binding and irrevocable between the University of Michigan and myself.
- The Internal Revenue Code (IRC) limits the aggregate amount an individual taxpayer can tax-defer. During the year, the Benefits Office will lower or suspend my salary deferral contribution if it will cause me to exceed the IRC 457(b)(2), 457(b)(3), or 414(v) limits. If my contribution is lowered or suspended during the year to keep me within IRC limits, my elected amount will generally resume the following year. If I participate in a 457(b) plan outside of the University of Michigan, I may need to consult with a tax advisor to ensure I do not exceed IRC limits.
- I agree to hold harmless and indemnify the University of Michigan for any and all liability and expenses by it as the result of any misstatement or omission made by me in this Agreement.
- This Agreement revokes any previously signed Agreement.
- This Agreement shall become effective as soon as administratively feasible, with respect to University of Michigan compensation not yet earned, but not earlier than the first day of the month following the date this Agreement is filed with the Benefits Office.
- This salary reduction agreement is covered under and shall be interpreted consistent with U.S. Treasury Regulations.
- If the University of Michigan modifies future versions of this Agreement to comply with federal law or regulations, I agree that this Agreement shall be administered according to such modified Agreements.
- I understand my deferred compensation and earnings cannot be withdrawn until I have terminated employment, or as an employee, I am age 70½ or older, or elect a one-time withdrawal pursuant to IRC Section 457(e)(9)(A).
- I understand this form does not enroll me in the University of Michigan Basic Retirement Plan or change any elections I have made with regards to the University of Michigan Basic Retirement Plan or Supplemental (SRA) Retirement Plan.

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Benefits Office – Retirement Plan Area**  
**Wolverine Tower Low Rise G405**  
**3003 S. State Street**  
**Ann Arbor, MI 48109-1278**  
**Phone: (734) 615-2000 • FAX: (734) 936-8835**

# Salary Deferral Agreement

## Your TIAA-CREF and/or Fidelity Account(s)

There are no applications for you to complete to open your account with TIAA-CREF and/or Fidelity. The Benefits Office will send an enrollment notice to your chosen investment company to create your account once your properly completed and signed *Salary Deferral Agreement* has been received. TIAA-CREF and/or Fidelity will then mail you with information on how to change your investment fund and how to designate your beneficiary. Be sure to designate your beneficiary as soon as possible.

The investment fund will automatically be an age-appropriate Lifecycle Fund if you select TIAA-CREF or a Freedom Fund if you select Fidelity. A TIAA-CREF Lifecycle or Fidelity Freedom Fund is a mutual fund that is a diversified portfolio of other mutual funds offered by that company. This includes domestic and international stock and bond funds, as well as money market funds. Each fund automatically selects the allocation of stock, bond, and money market funds that are appropriate for a target retirement date of approximately age 65. The fund will adjust its holdings periodically to maintain an asset allocation appropriate for its target retirement date to maximize returns and minimize risks. Both TIAA-CREF and Fidelity offer a wide selection of stock, bond, money market, and real estate mutual funds. If you do not want your investment fund to be a Lifecycle or Freedom Fund, you may change this by contacting TIAA-CREF or Fidelity.

## Effective Date

- The Salary Deferral Agreement shall become effective as soon as administratively feasible with respect to compensation not yet earned, but not earlier than the first day of the month following the date this Agreement is filed with the Benefits Office.
- Agreements filed on the first day of the month or later are made effective no earlier than the following month.
- By checking "First Available Pay Period" elections shall take effect the month following the date the Agreement is filed with the Benefits Office. For bi-weekly paid staff, Agreements filed on or after the 15<sup>th</sup> day of any month are generally made effective no earlier than the second pay period of the following month.
- You may list a future pay date as your effective date if you want to target a specific future payroll period instead of your first available pay period. If you check no box, the default will be First Available Pay Period.

## Changing Your Contribution

Elections to cancel, reduce, or increase your contribution shall be effective no earlier than the month following the date your Agreement is filed with the Benefits Office.

## Salary Deferral Amount

Enter the amount of compensation you wish to defer **per pay period**. If you are paid bi-weekly, this amount will be deferred from each paycheck, not as a monthly total. This amount will remain in effect until you submit another form to change or cancel it. If you already defer compensation and are changing the amount, indicate the new **total** amount of the deferral, not just the amount of the change.

## Investment Company

Indicate the investment company you want to receive your salary deferral contributions. List whole percentages only. The total must equal 100%, for example: 50% to TIAA-CREF and 50% to Fidelity.

## Limits on Cash Withdrawals and Rollovers

Cash withdrawals and rollovers are permitted:

- Upon termination of employment at any age.
- At age 70 ½ or older if you are a current faculty or staff member at U-M.
- As a one-time withdrawal if you are a current faculty or staff member at U-M and 1) the total account balance (not attributable to rollovers you made into the plan) is no more than \$5,000; and 2) no amount has been deferred under the plan during the two-year period that ends on the date of distribution; and 3) no previous distribution was taken under this provision.

## U-M Retirement Plan

Enrolling and contributing to the U-M 457(b) Deferred Compensation Plan does not enroll you in or affect any elections you have with respect to the U-M Basic Retirement Plan or Supplemental (SRA) Plan. The U-M Retirement Plan is a separate plan from the U-M 457(b) Plan.



## Questions?

Visit the U-M 457(b) Deferred Compensation Plan section of the Benefits Office Web site at [www.umich.edu/~benefits/plans/457b](http://www.umich.edu/~benefits/plans/457b), or call the HR/Payroll Service Center at 734-615-2000 or 866-647-7657 (toll free for off-campus long-distance within the U.S.)

## How to Return Your Signed and Completed Form

Keep a copy for your records and a copy of the fax transmission report, if you return this form by fax.

### By FAX (for fastest service)

734-936-8835

### By Mail

Benefits Office – Retirement Plan Area  
Wolverine Tower – Low Rise G405  
3003 South State Street  
Ann Arbor, MI 48109-1278

### Drop It Off In Person

HR/Payroll Service Center  
Wolverine Tower – Low Rise G250  
3003 South State Street  
Ann Arbor, MI 48109-1278