

**OUS Tax Deferred Investment 403(b) Program  
SALARY REDUCTION AGREEMENT**

1. **NAME AND HOME ADDRESS** (Type or print clearly)

2. **SOCIAL SECURITY NO.**

3. **DATE OF BIRTH**

4. **ACTION REQUESTED ON THIS AGREEMENT:**

- A. New Enrollment (Complete Company application.)
- B. Change
- C. Restart (Check only one box)
- D. Stop

5. **EFFECTIVE DATE:**

Earnings after first day of:

E-mail address:

Month/Year

6. **DEFERRAL AUTHORIZATION AND COMPANY DESIGNATION(S):** Employee authorizes salary reduction by the amount indicated and authorizes the Oregon University System (OUS) to transmit funds to the company(ies) designated. Employee understands that maximum contributions are limited by IRC 403(b), and that limits apply to contributions made through OUS and all other employers. Employee selects the following annual salary deferral option(s) at OUS. **This agreement supersedes all prior agreements, and includes ALL companies and ALL salary reductions, including those that that HAVE NOT CHANGED.**

**Your choices are: (A) or (B) or (A+C) or (B+C)**

- A. **General Limit**  
Maximum deferral is \$11,000 in 2002, plus \$1,000/year until 2006 (IRC 402(g)) \$ \_\_\_\_\_ or \_\_\_\_\_ % of annual salary
- B. **Catch-up for Age 50 or older (\$1,000) plus the General Limitation (\$11,000)**  
Maximum deferral is \$12,000 in 2002, plus \$2,000/year until 2006. (IRC 414(v)) \$ \_\_\_\_\_ or \_\_\_\_\_ % of annual salary
- C. **Catch-up with 15 Years Full Time Service**  
Contact your investment company representative or financial adviser to determine the salary catch-up contribution. (IRC 402(g)(8)) \$ \_\_\_\_\_ or \_\_\_\_\_ % of annual salary
- D. **Total Annual Salary Reduction Amount** \$ \_\_\_\_\_ or \_\_\_\_\_ % of annual salary

List amount per pay period in table below.

7. Company(ies)	Fixed Dollars			Percentage Dollars		
	Pay Period Amount - \$	Number of Pay Periods	Annual Amount Fixed \$	Pay Period Percent - %	Number of Pay Periods	Annual Amount - %
1.						
2.						
3.						

(a) Academic year employees' fixed dollar deferrals are deducted January through June and September through December only.  
 (b) Percentage reductions are taken every month in which salary is paid.  
 (c) Salary deferrals continue unchanged, except for the 15 year catch-up election, until a new SRA is received by OUS.

8. **ACKNOWLEDGEMENT OF RESPONSIBILITIES:** Both OUS and Employee acknowledge and understand that Employee has total responsibility for deciding whether to defer income and for instructing to whom OUS is to provide the deferred income for investment purposes. Employee assumes full responsibility for the results of his or her investment choices including the contribution limitations under the U.S. Internal Revenue Code. Pursuant to state law, OUS' only responsibility is to offer Employee a mechanism to defer income and to forward amounts deferred to certain insurance and investment companies specified by Employee for the benefit of Employee. The instructions on the reverse side of this form are an integral part of this agreement and provide essential information for understanding OUS' Tax Deferred Investment Program and for completing the Salary Reduction Agreement.

9. **EMPLOYEE'S SIGNATURE** \_\_\_\_\_ **DATE** \_\_\_\_\_ **INSTITUTION** \_\_\_\_\_

10. **PREPARER (IF OTHER THAN EMPLOYEE)** \_\_\_\_\_ **ADDRESS** \_\_\_\_\_

11. **BY** \_\_\_\_\_ **DATE** \_\_\_\_\_

STATE OF OREGON, acting by and through the OREGON UNIVERSITY SYSTEM

DATE

**Send the Company application to the selected company(ies) and send this completed form to the appropriate institution:**

EOU-Human Resources, One University Blvd, La Grande OR 97850-2899  
 OIT-Human Resources, 3201 Campus Dr., Klamath Falls OR 97601-8801  
 WOU-Human Resources, 345 N. Monmouth Ave., Monmouth OR 97361  
 OSU-Human Resources, 122 Kerr Admin. Bldg., Corvallis OR 97331-2132

SOU-Human Resources, 1250 Siskiyou Blvd., Ashland OR 97520  
 UO-Human Resources, 5210 University of Oregon, Eugene OR 97403-5210  
 OUS-Chancellor's Office, P.O. Box 488, Corvallis OR 97339-0488  
 PSU-Human Resources, P.O. Box 751, Portland OR 97207

OREGON UNIVERSITY SYSTEM  
**SALARY REDUCTION AGREEMENT INSTRUCTIONS (Rev. 01/2002)**

**GENERAL:** These instructions have been established to expedite the processing of the Salary Reduction Agreement (SRA, form CO-408). All tax-deferred investment (TDI) new enrollments, restarts, changes, and stops require completion of the SRA. The completed SRA (original and all copies) shall be returned to the appropriate Institution at the address shown on the form. The SRA is an agreement between the employee and the Oregon University System (OUS). The income deferral is in the form of a voluntary salary reduction from gross pay. The salary reduction amount is invested with a financial institution (Company) in an account in the employee's name. OUS contracts with companies that offer plans qualifying under provisions of IRC 403(b). These plans are either tax-sheltered annuities or mutual fund custodial accounts. State and federal income taxes are withheld only on salary after the reduction. Other withholdings, deductions, and contributions, including Social Security taxes, apply to gross pay before any salary reduction. Retirement system contributions are not reduced because of a salary reduction (ORS 243.830). Court ordered deductions from pay (e.g., garnishments) are based on gross pay; they are not affected by income deferral. The SRA is applicable to all OUS compensation earned in any one or more Institutions or departments. For assistance in completing this form, employees should consult their investment company or financial adviser to determine the correct deferral amount, including special elections.

**SECTIONS 1, 2 & 3:** Employee's complete name and home address; employee's date of birth; employee's Social Security number.

**SECTION 4:** Specify the action requested by checking only one box:

1. "New Enrollment" applies to employees who have never had an SRA with OUS.
2. "Change" applies to employees who currently have an SRA with OUS and want to make a modification to previously recorded information.
3. "Restart" applies to employees who currently do not have an SRA with OUS but have had one in the past.
4. "Stop" applies to employees who want to cease a salary reduction. An agreement may always be stopped.

**No more than one SRA may be in effect at any time, and all prior SRA's are replaced by the most current one on file.**

**SECTION 5:** Specify Month/Year the salary reduction is to begin. For the requested action to take effect on the month-end payroll, the Controller's Division must receive the SRA from the campus by 10th calendar day of the month. The salary reduction shall continue until the agreement is terminated by whichever occurs first: A) Employee terminates employment with OUS; B) Employee files a new SRA; or C) Either party gives advance written notice that the income deferral is to stop.

**SECTION 6:** The salary reduction is stated as a total annual dollar amount or as a percentage of gross pay. The minimum salary reduction amount shall be \$25.00 per Company. Maximum permissible deferrals, subject to the IRC 402(g) **General Limit**, the Age 50 Catch-Up Election (IRC414(v)), and the 15 Year Service Catch-Up Election (IRC 402(g)(8)) are shown in the table below. Special Elections B and C are optional. Contact the IRS for publications explaining applicable rules. **Election 6B** permits a participant 50 years or older to defer additional amounts: in 2002 the maximum additional deferral is \$1,000, and the amount increases \$1,000 per year through 2006. **Election 6C** permits a participant with 15 years of OUS service to elect the lesser of: 1) \$3,000; 2) \$15,000 reduced by elective deferrals in prior years under this catch-up rule; or 3) \$5,000 multiplied by years of service and minus all elective deferrals in prior years. Contact your investment Company representative to determine the correct deferral amount under Service Election 6C.

The employee is fully responsible for all computations in connection with the salary reduction. IRS Publications provide information on the maximum amounts that may be contributed to the plan in any given year. Integration with other plans is required; participants in the Federal Thrift Savings Plan, the OUS Optional Retirement Plan, or 403(b) plans with other employers must aggregate their total contributions for purposes of IRC 415(c). Consult an investment company representative, a financial adviser, or the IRS for advice. **The salary reduction(s), except for the Service Catch-Up Election, specified on this form will continue until a new SRA is submitted or participation ends. Service Catch-Up Elections must be requested each year.**

**SECTION 7:** Salary reduction amounts may be allocated to one or more OUS-approved companies. For purposes of the maximum amounts listed below, participants in both the Federal Thrift Savings Plan and the TDI 403(b) program must aggregate their total elective deferrals.

Maximum Annual Amounts	Less than 15 Years of Service		15 Years of Service or More	
	Under 50 (General Limit) 6A - IRC 402(g)	Age 50-Plus (IRC414(v)) 6A + 6B	Under 50 6C - (IRC 402(g)(8))	Age 50-Plus 6C - 402(g)(8))
2002	\$11,000	\$12,000	<i>\$3,000 if no prior special elections; contact your investment company representative if special elections in prior year(s).</i>	<i>\$3,000 if no prior special elections; contact your investment company representative if special elections in prior year(s).</i>
2003	\$12,000	\$14,000		
2004	\$13,000	\$16,000		
2005	\$14,000	\$18,000		
2006	\$15,000	\$20,000		

**SECTION 8:** The employee assumes full responsibility for the tax, processing, and investment consequences of the SRA, and releases the State of Oregon, the Board of Higher Education and OUS employees from any liability for financial loss resulting from any calculations or from selection of a Company or its investment vehicles, from incorrect evaluation of tax-deferred status, from processing delays or errors, from discontinuance of present legislation affecting such benefits, and from incorrect advice received from the Company or its employees or representatives.

**SECTION 9:** The employee authorizes the action requested on the SRA by signing and dating the form. This is accomplished in accordance with the provisions of ORS 243.810 to 243.830. The name of the employee's Institution is required information.

**SECTION 10:** Signature and address of preparer, if other than the employee.

**SECTION 11:** On behalf of OUS, a representative of the Controller's Division approves the action requested on the SRA.