

WASHINGTON STATE UNIVERSITY
2020 AGREEMENT FOR SALARY REDUCTION UNDER SECTION 403(B)
VOLUNTARY INVESTMENT PROGRAM (VIP)

SECTION I – ENROLL, CHANGE, CANCEL

I authorize Washington State University to reduce my gross salary per paycheck by the dollar amount listed below. I understand that this change can only be made on my **future** earnings.

For a change to occur as soon as possible, please mark one of the following:

- ☐ I am completing and submitting this form to HRS prior to the 15th of the month. I understand that this change will occur with my earnings starting on the 16th of the same month and will be reflected on my paycheck on the 10th of the following month.
- ☐ I am completing and submitting this form to HRS prior to the end of the month. I understand that this change will occur with my earnings starting on the 1st of the following month and will be reflected on my paycheck on the 25th of the following month.

To make a change for a future month or year, please complete the following:

I would like to change my contributions to the VIP on my future earnings starting on the **1st or 16th** (circle one) of (month) _____, 20____.

Specify the total amount you elect to contribute through this salary reduction agreement.

Minimum per pay period of \$15.00, and the Maximum for 2020 is \$19,500 or \$26,000 for those over 50 (of which a portion of the WSURP contribution will count towards this limit). **Choose only one.**

\$ _____ (per pay period) **OR** \$ _____ (total for the year) **OR** ☐ **Maximum****

With respect to the salary reduction amount indicated above, designate the percentage to be contributed to the Roth 403(b) after-tax account and/or the 403(b) pre-tax account. **This percentage must total 100%.**

FOR OFFICE USE:

Roth403b Post Tax Elective Deferral _____ %

Pre Tax Elective Deferral _____ %

Must equal 100%

The amount will be contributed via Washington State University to the TIAA Voluntary Investment Program (VIP).

Establish a TIAA account:

_____ I am a new WSU VIP participant and have completed a contract with TIAA (see reverse for instructions).

- If hired in 2020, I have/have not (circle one) participated in a 403b/401k prior to coming to WSU. If yes, I have voluntarily contributed _____ to a 403b/401k plan during the 2020 calendar year.

_____ I have been a participant in the WSU VIP before, and have an existing VIP contract with TIAA.

SECTION II – AUTHORIZATION

I understand that I am responsible for determining that the amount of the salary reduction is in accordance with the maximum permitted me under the Internal Revenue Code. The University or I may terminate this agreement at any time with respect to salary not yet payable. WSU reserves the right to stop or recover contributions in order to ensure IRC compliance. Subject to the foregoing, the agreement is legally binding and irrevocable with respect to amounts payable while the agreement is in effect.

I agree that the University shall have no liability whatsoever for any loss suffered by me or by my beneficiary(ies) with regard to my allocation of these contributions among the various investment options. This agreement supersedes and replaces any previously submitted agreement. By my signature I verify that I have read and understand the Rules and Restrictions on the back of this form.

| | | | | |
|------------------|-------------|-------------|-------|---------------------------|
| Last Name: | First Name: | Middle: | Date: | Social Security Number *: |
| | | | | - - |
| Signature: _____ | | Department: | | Campus Phone: |

* Privacy Act Statement: Your Social Security number is required on this form to ensure compliance with Internal Revenue Code retirement tax reporting requirements. **Return this form to: Human Resource Services, PO Box 641014, 139 French Administration, Pullman, WA 99164-1014.**

****By selecting the "Maximum" contribution option, you are communicating to WSU your desire to contribute the maximum you can to your voluntary investment plan, and WSU will adjust contributions throughout the tax year to ensure you will have contributed the maximum amount possible for the year. This also allows WSU to adjust your contributions if limits are changed by the IRS. **Please contact HRS Benefits if you have a change in salary, appointment term, or FTE so they will know to re-calculate your maximum request.****

TIAA Enrollment Instructions: If you are participating in the VIP for the first time, you must also complete the online application for the TIAA Group Supplemental Retirement Annuity by enrolling online with TIAA at www.tiaa.org/wsuh. Click on the "Enroll Now" button, and choose the Supplemental Retirement Plan option (hard copy enrollment packets are available at Human Resource Services). **Failure to open an account will result in contributions will be automatically invested in the Lifecycle fund assuming retirement at age 65.**

Rules and Restrictions

HRS Benefits administers the Voluntary Investment Program (VIP), including enrollment and distribution of plan information and administrative information. While employees have flexibility in matters of investment decisions, the administration of the plan is subject to the following:

1. Enrollment/Change: Employees may enroll or make a change by completing and submitting a VIP Enrollment/Change Form to the HRS Benefits Office. This Enrollment/Change Form is referred to by Internal Revenue Code (IRC) as a *Salary Reduction Agreement*. The requested contribution must be in compliance with IRC Sections 403(b), 415 and 402(g). The allocation of the funds can be changed at any time.

2. Limitations of Contributions: To comply with Internal Revenue Code (IRC), the voluntary elective deferral limit for 2020 is \$19,500. Employees age 50 or over in 2020 may make an additional contribution of up to \$6500.

In addition, there is an IRC Section 415 limit on the combined employee and employer contributions to a defined contribution retirement plan. This limit applies to both the WSU Retirement Plan (WSURP) and the VIP, and is tracked over a tax year (January through December paychecks). Contributions under other employers' 403(b) plans also count towards this limit, as do contributions under Keogh plans or plans of any business or professional practice you control (50% or greater). Please notify HRS immediately if you feel this may apply to you. However, special "catch-up" contributions for those over age 50 do not count toward this limit.

For 2020, the maximum annual compensation from which contributions can be taken is \$285,000 (401(a)(17)).

If you are age 50 or over and have voluntarily elected to contribute 10% in the WSURP, 2.5% of the 10% is considered voluntary.

3. Minimum Contribution: You may invest with the minimum investment requirements, which is \$15 per paycheck.

4. Annual Renewal of Contribution: Contributions begun by Salary Reduction Agreement will automatically renew each year effective with the January 10 paycheck. Employees are responsible for reviewing their limit each year to ensure they are contributing at their desired level.

5. Allocation of Future Contributions: You may change the allocation of future contributions with the fund sponsor at any time by contacting the fund sponsor, TIAA, directly.

6. Withdrawal of Contributions: The IRC restricts access to contributions before age 59½ except upon one of the following events:

1. Severance from employment;
2. Hardship, as defined by the IRS "safe harbor" provisions; or
3. Disability.

All withdrawn contributions are subject to federal income taxation in the year in which they are received. Before age 59½, a 10% penalty and restrictions may also apply. Employees should refer to the fund sponsors' Annuity Contracts and Custodial Agreements.