

**ILLINOIS STATE UNIVERSITY TAX DEFERRED COMPENSATION PLAN
SALARY REDUCTION AGREEMENT**

Name _____ University ID# _____ Mail Code _____
Dept. Name _____ Date of Birth ____/____/____ Date of Employment ____/____/____

Have you made contributions to any of the following plans this calendar year (other than this Plan): 403(b), 401(k), SIMPLE IRA, SIMPLE 401(k), or SARSEP? ☐ Yes, \$ _____ ☐ No

This form is to authorize (check one): ☐ New Enrollment ☐ Change Deduction ☐ Change Vendor ☐ Stop Deduction

I. AUTHORIZATION TO MAKE SALARY REDUCTION CONTRIBUTIONS

I hereby direct the University to reduce my compensation (*as defined under the Plan*) each paycheck by the percentage(s) outlined below which must equal at least \$200 annually, and to forward this contribution to the vendor or vendors selected below. I understand that contributions will be made to the Illinois State University Tax Deferred Compensation Plan ("Plan") on my behalf in accordance with my election, up to the maximum contribution limits set forth below. I further understand that if my contribution for a pay period exceeds my compensation available for reduction, the University will reduce my contribution as necessary.

Contributions may be *pre-tax* or *post-tax* (Roth) and the total percentage(s) elected *cannot exceed 100% of includible compensation*. I hereby make the following elections:

Fidelity: _____% Pre-Tax _____% Roth	TIAA: _____% Pre-Tax _____% Roth
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Note – You must make a percentage contribution election on this Agreement for each vendor (e.g. Fidelity and/or TIAA) to which you want to make contributions. If you do not make a percentage contribution election for a vendor on this Agreement, you will be deemed to have elected a contribution of "0%" for that vendor.

II. EFFECTIVE DATE

I understand that this Agreement will take effect as soon as administratively practicable following the date I complete this Agreement and return it to Campus Box 1300 Human Resources or 101 Nelson Smith Building, and will continue in effect until such time that I terminate or change the Agreement. I understand that I may change or terminate this Agreement at any time. I understand that this Agreement is legally binding and irrevocable as to amounts paid or made available to me while the Agreement is in effect, and that the University may terminate this Agreement or reduce my contributions under this Agreement at any time if necessary to comply with the applicable provisions of the Internal Revenue Code.

III. APPLICABLE PLAN CONTRIBUTION LIMITS

- I understand that Code Section 402(g) limits my salary reduction contributions to the Plan under this Agreement to a "dollar limit." The statutory dollar limit is determined annually by the Internal Revenue Service (IRS). However, my actual dollar limit may be higher than the statutory dollar limit if I will be 50 years old (or older) by the end of the calendar year.
- If I will be at least 50 years old by the end of the calendar year, I understand that Code Section 414(v) allows for additional catch-up salary contributions, referred to as "age 50 catch-up contributions." The age 50 catch-up contribution limit is determined annually by the IRS and, effective January 1, 2025, will be temporarily increased for the years I turn age 60, 61, 62 or 63. The University will automatically adjust my maximum contribution level for each year that I am age 50 or above and participating in the Plan. I understand that if I do not want to make contributions in excess of the statutory dollar limit, it is my responsibility to adjust the percentage of salary that I elect to contribute to the Plan accordingly.
- I understand that the statutory dollar limit, increased by the age 50 catch-up limit, if applicable, applies to any salary reduction contributions I make in a calendar year to the Plan and any other retirement plans in which I participate (not including SURS, a 457(b) plan, deferred compensation plans, or flexible benefit plan contributions), including plans maintained by other employers. I also understand that these limits apply to a total of my combined pre-tax

and Roth contributions. For example, assuming I am under age 50 and the 402(g) dollar limit for the year is \$23,500; if I make a \$10,500 pre-tax contribution to the Plan, I can make up to a \$13,000 Roth contribution to the Plan.

- I understand that if my salary reduction contributions to the Plan and other retirement plans in which I participate exceed the applicable dollar limits, the excess will be taxable both in the year the contribution was made and in the year of distribution unless I timely request to have the excess returned to me. To have the excess returned to me, I must notify the University or my vendor of the excess before March 1 of the year following the year in which the excess contribution was made (e.g. March 1, 2025 for excess amounts deferred in 2025). If the notice is timely given, my vendor will distribute the excess amount of the contribution (with any accrued earnings or applicable losses) to me on or before April 15 of the year following the excess contribution.
- I understand that my salary reduction contributions to the Plan and other retirement plans for each year are also limited, except as permitted under Code Section 414(v) allowing age 50 catch-up contributions, by the general rules of Code Section 415, and cannot exceed 100% of my compensation.
- Please see www.irs.gov for the current year's limits under Code Sections 402(g), 414(v), and 415.

IV. ADDITIONAL REPRESENTATIONS

- I authorize the University to release or obtain from my vendor any information that it may reasonably require in order to calculate my contribution limits or to administer the Plan.
- I understand that this Agreement is legally binding and irrevocable with respect to amounts paid or made available while the Agreement is in effect. Therefore, amounts previously withheld from my compensation under the terms of this Agreement cannot be returned to me unless I am eligible for a distribution under the terms of the Plan.
- I acknowledge that the University does not warrant the appropriateness or performance of a particular vendor or the investment options offered by that vendor, and shall not be responsible for any penalties or tax consequences resulting from this Agreement. I acknowledge that my rights to benefits under the Plan shall be solely against my vendor(s), and not against the University or the State. I waive any rights or causes of action I may have against the University or the State arising out of my participation in the Plan.
- I agree to follow the rules and procedures of the University, the Plan, and the vendor(s).
- I certify that I have completed an enrollment form with the vendor or vendors that I have selected and I agree to provide confirmation of my active account status with this Agreement. I understand that if I have not established an account under the Plan with the vendor(s) I have chosen, the vendor(s) may return any contributions made on my behalf to the University.
- I understand that this Agreement shall supersede all prior elections under the University's 403(b) Plan.

Employee's Signature

Date Requested

Benefits Signature

Date Received

FOR HUMAN RESOURCES USE ONLY:

Date Entered Into System _____

Retirement Counselor Initials: _____