



**BALL STATE
UNIVERSITY**

403(b) - TAX DEFERRED ANNUITY (TDA) PLAN SALARY REDUCTION AGREEMENT

EMPLOYEE INFORMATION

Name:			BSU email address:		
Date of Birth:	New:	Change:	Terminate:	BSU ID #:	

1.) I am requesting salary reduction to begin on paycheck date: ____/____/____

2.) Vendor Choice: Pre-Tax or Roth: Fidelity TIAA Voya Lincoln
Pre-Tax only: AXA One America

3.) Salary Reduction Amount
I request to defer the following amount from eligible compensation as an elective deferral in accordance with and subject to the IRS rules and regulations:

____ % PRE-TAX ____ % POST-TAX (Roth)

of my eligible compensation per pay period.

I understand that if I will be age 50+ in the current tax year, then the maximum I will be allowed to defer to this plan will also include the age 50+ catch-up amount. See page 2 of this agreement for IRS contribution limits.

THIS BOX FOR PEB USE ONLY

____ Deduction Code

____/____/____ Paycheck Date

____ %

____ 50 + Yes or No

I authorize Ball State University to remit the salary reduction amount(s) designated above to the designated investment company(s) as contributions to the Ball State University Tax Deferred Annuity (TDA) Plan, an IRC §403(b) plan and I acknowledge the following:

- This agreement will take effect as of the beginning of the pay period containing the effective date in Section (1.) or as soon as administratively feasible thereafter once received by the Office of Payroll and Employee Benefits, and will remain in effect until I change (revoke or modify) it by submitting a new agreement. This agreement applies only to compensation not yet paid or made available to me.
- Ball State University may terminate or modify this agreement at any time to comply with applicable laws or for any other reason in its sole discretion.
- Ball State University does not warrant the performance or the appropriateness of any investment or the tax consequences or excludability and will not be responsible for any penalties or tax consequences resulting from this agreement.
- The Plan does not allow for withdrawals, except after reaching age 59½, while employed at Ball State University.
- I am aware of the fees and expenses charged by the designated investment company(s) and I authorize the University to release or obtain from my vendor(s) any information that may be reasonably required to calculate contribution limits or to administer the University's plans.
- The Internal Revenue Service imposes various limits on contributions to, or benefits from, the different Ball State University plans. See page 2 of this document. In addition, some limits require aggregation of the Ball State University plans with other plans in which I may participate. These rules may vary depending on the type of plan, the type of contributions, and how the plan is structured. I have provided the University with the necessary information to determine my contribution limits and I agree to advise the University of any changes in my status that affect my contribution limits in the future.

Employee Signature: _____ Date: ____/____/____

Please complete the digital signature above then click the submit button.

This form may also be scanned and **e-mailed to peb@bsu.edu**

or returned to the Office of Payroll and Employee Benefits.

PAYROLL AND EMPLOYEE BENEFITS USE ONLY

Processed by: _____ Date: ____/____/____

Entered by: _____ Date: ____/____/____

INTERNAL REVENUE CODE CONTRIBUTION LIMITS

Annual Dollar Limit on Elective Deferrals (IRC §402(g)(1))

Internal Revenue Code (IRC) §402(g)(1) limits the amount of salary deferral contributions that can be contributed to the Ball State University Tax Deferred Annuity Plan and to all IRC §403(b) plans, §401(k) plans, and other similar type of plans in which an employee participates in any calendar year. (Please note that deferrals made to the Ball State University 457(b) Deferred Compensation Plan (IRC §457(b) plan) are not limited by IRC §402(g)(1).)

The annual dollar limit is the lesser of 100 percent of the employee's compensation for the calendar year or the "applicable dollar amount." The "applicable dollar amount" for 2020 is \$19,500.

Please note that Ball State University does not monitor elective deferrals made to any business entity other than Ball State University. Therefore, an employee must self-monitor elective deferrals made to any other current employer, former employers, etc.

Age 50 or Older Catch-up Contributions (IRC §414(v)(2))

For participants who are at least age 50 before the end of the plan year, the current dollar limits on elective deferrals are increased. The additional amount of elective deferrals that are permitted to be made by an eligible participant is the lesser of (i) the participant's compensation for the year reduced by any other elective deferrals of the participant for the year or (ii) the "applicable dollar amount." The applicable dollar amount for 2020 is \$6,500.

Age 50 or older catch-up contributions will not be taken into account in applying the annual dollar limit on elective deferrals (IRC §402(g)(1)) or the annual contribution limit (IRC §415(c)(1)).

Annual Contribution Limit (IRC §415(c)(1))

The IRC limits the amount of employer contributions and elective deferrals that can be made to the Ball State Tax Deferred Annuity Plan and the Ball State University Alternate Pension Plan on behalf of a participant. The maximum amount that can be contributed to the combination of these plans on behalf of a participant for a limitation year is the lesser of:

- (1) 100 percent of the eligible employee's compensation;
- or
- (2) \$57,000 for 2020

Employer contributions made to the Ball State University Alternate Pension Plan may limit the amount of elective deferrals that a participant may make to the Ball State University Tax Deferred Annuity Plan.

The Internal Revenue Service imposes various limits on your contributions to, or benefits from, the different Ball State University plans. In addition, some limits require aggregation of the Ball State University plans with other employer plans in which you participate or with a simplified employee pension (SEP) you have set up. These rules may vary depending on the type of plan, the type of contributions, and how the plan is structured.

Ball State University cannot give tax advice. If you have questions about how tax law may affect your tax situation, please consult a tax advisor.