

**NORTH CAROLINA STATE UNIVERSITY  
AUTHORIZATION FOR 403(b) SALARY REDUCTION AGREEMENT**

*I authorize North Carolina State University to reduce my salary in the amount specified below for the purchase of the specified annuity or custodian account with respect to amounts earned subsequent to the date of this agreement. I also request North Carolina State to purchase for me an annuity contract and/or custodial account in accordance with the provisions of Section 403(b) of the Internal Revenue Code.*

**A. EMPLOYEE INFORMATION (Please print)**

Name: \_\_\_\_\_ Social Security No. \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_  
Last First MI

Campus Address: \_\_\_\_\_  
Department Telephone Number

Check if applicable:  
 I also make contributions through payroll deduction to the State's 401(k) Plan (Supplemental Retirement Income Plan of North Carolina)

**B. SALARY REDUCTION AGREEMENT**

Check one of the following, as appropriate:  
 Original Agreement       Modified Agreement       Cancellation

Check one:  Bi-weekly       Monthly

Name of Insurance Company or Custodian: \_\_\_\_\_ Beginning Effective Date: \_\_\_\_\_ Employee's Monthly Reduction Amount (\$): \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

Check if applicable:  
 I elect the special 15-year Lifetime Catch-up option not to exceed the IRC Section 402(g)(8) limit (Must attach MAC calculation provided by vendor)  
 I elect the age 50 or over additional catch-up option not to exceed the IRC Section 414(v) limit      Birth-date: \_\_\_\_\_

**C. MAXIMUM SALARY REDUCTION AGREEMENT OPTION**

*The maximum salary reduction option allows you to keep your contribution at the maximum limit set forth in section 402(g) and 415 of the Internal Revenue Code without needing to change your contribution each year. By selecting this option, NC State will set your monthly contribution based on the Total Annual Contribution indicated below. The amount of the reduction shall remain in effect until you submit an amended salary reduction agreement.*

\_\_\_\_\_  
(initials) Yes, I want to participate in the Maximum Salary Reduction Option. I understand that my monthly contribution will be adjusted each January to meet the amount I indicate in the Total Annual Contribution and the amount of the salary reduction will be applied to the Insurance Company or Custodian listed in section B. If I selected more than one 403(b) vendor in section B, I understand that I must clearly state how I want my annual contributions to be distributed between these vendors. Additionally, if I qualify for the 403(b) Lifetime Catch-up, I understand I must submit a new Maximum Allowable Contribution (MAC) worksheet at the beginning of each calendar year.

<u>CY</u>	<u>Regular Limit</u>	<u>Over 50 year old Catch-up</u>	<u>* 403(b) 15-year Life Time Catch-up</u>	<u>Total Annual Contribution</u>
2004	\$13,000	\$3,000	\$3,000	\$ _____
2005	\$14,000	\$4,000	\$3,000	\$ _____
2006	\$15,000	\$5,000	\$3,000	\$ _____

See note below. Not available for all employees

\* 403(b) Lifetime Catch-up: This is available only to employees who have completed 15 or more years of service and meet certain contribution limits. This provision allows you to contribute up to \$3,000 in addition to your regular contribution and age 50 catch-up limits. The maximum lifetime catch-up limit is \$15,000. Contact your 403(b) vendors to verify you will not exceed the contribution limit and submit a MAC each year.

**D. EMPLOYEE/EMPLOYER RESPONSIBILITY**

*North Carolina State University will apply the amount of the salary reduction described in Item B or C above to the purchase of an annuity contract described in Section 403(b)(1) or a custodial mutual fund described in Section 403(b)(7) of the Internal Revenue Code of 1986, as amended, from one or more underwriters authorized by the University and selected by the Employee.*

*This Agreement is legally binding and irrevocable with respect to amounts payable while it is in effect. NC State University will consider this salary reduction agreement in effect through the remainder of this calendar year and will automatically renew this agreement January 1 of each year unless the employee notifies the employer, in writing, within 30 days prior to the date the agreement is to be either terminated or modified.*

*In accordance with IRS Regulations, a salary reduction agreement can only be made with respect to pay that is not "currently available" to the employee on the date of the election.*

*The employee acknowledges and agrees to be fully and completely responsible for ensuring that the amount of the contributions for any calendar year does not exceed the limitation on annual additions set forth in Section 415, or the limitation on elective deferrals set forth in Section 402(g)(4) or (7) of the Internal Revenue Code. The employee further acknowledges and agrees that the University has the right to reduce the contributions elected if it is determined that the legal limit has been or will be reached and refund any excess deferrals or amounts.*

*The employee acknowledges that contributions must be coordinated with the State's 401(k) Plan (see Item A above).*

*The employee agrees to make in-service transfers from his or her 403(b) funds only to 403(b) companies previously approved North Carolina State University. Approved 403(b) companies and North Carolina State are permitted to enforce this in-service transfer restriction. Notwithstanding the above, the employee understands that this agreement to restrict in-service transfers does not restrict his or her ability to make after-service transfers or to make direct rollovers of eligible rollover distributions from the 403(b) program to eligible retirement programs.*

*No provision of this Agreement shall affect the University's right to dismiss the Employee in accordance with other University policies.*

**E. EMPLOYEE'S AUTHORIZATION**

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Agent Name, if applicable: \_\_\_\_\_ Agent Telephone No. \_\_\_\_\_

*Return original to University Benefits Office, Campus Box 7215, Raleigh, NC 27695-7215*