



LUMP SUM SALARY REDUCTION AGREEMENT (Yr 2019)
FOR 403(b) and 403(b)(7) ACCOUNTS

INSTRUCTIONS: See the second page of this form for completion instructions and information.

SECTION I: AGREEMENT

BY THIS AGREEMENT MADE BETWEEN THE EMPLOYEE (Employee Name Printed) AND

THE EMPLOYER, VIRGINIA COMMONWEALTH UNIVERSITY ("VCU"), THE PARTIES AGREE AS FOLLOWS:

- 1. This agreement is legally binding and irrevocable with respect to amounts earned while the agreement is in effect. Only compensation that is NOT "currently available" is eligible for salary reduction under this agreement.
2. The Employee is responsible for ensuring their total deferrals are within compliance of the legal limits set by Internal Revenue Code sections 415 (c) , 402(g) and 414(v).
3. That the purpose of this salary reduction is to set aside money for retirement. I have been advised and understand that there are IRC restrictions, limitations and tax penalties on early withdrawals.

SECTION II: ENROLLMENT INFORMATION

EFFECTIVE DATE: This form must be received by VCU Human Resources at least one pay period prior to the date of the paycheck elected below.

INDICATE STATUS: New Enrollment\* Change Contributions X Terminate Enrollment

CHECK ALL THAT APPLY: I am eligible to defer under [ ] regular deferral (\$19,000 in 2019); [ ] age 50+ catch-up (\$6,000 in 2019); [ ] 15 year rule (must be full-time VCU service)

- 1. As of the paycheck dated July 1, 2019, VCU shall reduce the Employee's salary by \$ (give the total dollar amount, regular semi-monthly pay period amount + the additional amount).
2. As of the paycheck dated July 16, 2019, VCU shall reduce the Employee's salary every semi-monthly pay period by \$ (give the total amount from each paycheck). VCU will forward the amount of such reduction to the company(ies) listed below on a semi-monthly basis.

SELECT INVESTMENT COMPANY (NEW ENROLLMENT OR CHANGING COMPANY):

Table with 3 columns: Investment Company(ies) Name(s), PRE-TAX PAY PERIOD AMOUNT, POST-TAX (ROTH) PAY PERIOD AMOUNT. Includes rows for July 1 and July 16 (and onward) and total pay period amounts.

TERMINATE INVESTMENT COMPANY:

If you want to stop contributing money to an investment company(ies), you must indicate name of companies in this section.

CASH MATCH DESIGNATION

Eligible participants who make contributions of at least \$10 per pay period receive a cash match contribution. The Cash Match applies to pre-tax contributions only and is sent to TIAA or Fidelity (and held in an account in your name).

SECTION III: AUTHORIZATION

By EMPLOYEE SIGNATURE

P.O. BOX #

E-MAIL ADDRESS:

V-ID NUMBER (refer to eServices Self Service for your V-ID #)

Send completed form(s) to:

DATE

VCU Payroll Services, P.O. Box 842511
Richmond VA 23284-2511

WORK PHONE

PAYROLL USE ONLY: INITIALS DATE

## INSTRUCTIONS FOR COMPLETION

Please complete all sections of the Salary Reduction Agreement (SRA) form, and submit all original forms to VCU Payroll Services, P.O. Box 842511. The following instructions will assist you in completing the form so that there are no delays in the effective date and your salary is reduced by the correct amount.

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### SECTION I: AGREEMENT *Print your name so that it is legible.*

Statements 1., 2., and 3: These statements provide you with important information on IRS regulations that apply to this program and your responsibilities.

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### SECTION II: ENROLLMENT INFORMATION

**Effective Date:** This section gives the effective payroll dates for your SRA.

**Indicate Status:** Check "New Enrollment" if this is the first time you are entering into a Salary Reduction Agreement (SRA) with the University. Check "Change Contributions" if you are changing the **amount** to be deducted from your paycheck *or* you are changing the **contribution(s)** you are sending to an investment company(ies). Check "Terminate Enrollment" if you are stopping an existing agreement.

**Check all that apply:** Indicate all deferral limits that apply to you. The limits apply to pre-tax and post-tax (Roth) contributions **combined**. *All* employees are eligible to defer under "regular deferral," which is limited to \$19,000 for 2019. If you are age 50 or older and want to defer an additional \$6,000 (in 2019), check "age 50+ catch-up." If you are eligible to defer additional contributions under the 15-year rule, which is based on full-time employment with VCU, check "15-year rule." *Note:* To determine your eligibility and the amount of your catch-up under the 15-year rule, contact your investment company for the calculation and **report** your catch-up amount to VCU Payroll Services. You may also request a 15-year rule catch-up calculation from VCU Benefits by emailing [benefits@vcu.edu](mailto:benefits@vcu.edu). Allow at least 10 days for VCU Benefits to process your calculation request.

#### **SELECT INVESTMENT COMPANY:**

**Investment Company(ies) Name:** List the name(s) of **ALL** companies to receive your contributions. The University remits the total amount you specify to the company(ies) you list. Do not list investment funds on this form.

In addition to completing this form, you must also complete a separate investment company enrollment application (for each investment company you choose) to select your investment funds. You may obtain the application(s), which is located in each investment company packet, from VCU Human Resources or by contacting the investment company. You may also enroll online using the instructions at <http://www.hr.vcu.edu/current-employees/benefits/a-z-list-of-benefits/tax-deferred-annuity-and-cash-match-programs/>.

**Pay Period Amount:** Enter the *exact* dollar amount that goes to *each* company listed for *each* pay period (1<sup>st</sup> and 16<sup>th</sup>).

**TERMINATE INVESTMENT COMPANY:** If you want to stop sending contributions to an investment company(ies), list the investment company name(s) in this section.

**CASH MATCH DESIGNATION:** Full-time and part-time salaried faculty and classified staff who make contributions of at least \$10 per pay period to an account in the Tax-Deferred Annuity (TDA) Program are eligible for the VCU Cash Match Plan. Faculty and staff who participate in the Virginia Retirement System Hybrid Retirement Plan must be making the maximum voluntary contribution to the defined contribution component of that plan before they can qualify for contributions to the VCU Cash Match Plan. The Cash Match Plan is funded by the state and is subject to change.

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### SECTION III: AUTHORIZATION

*Sign your name. Enter your ID number, the date you complete the form, your work Post Office Box #, your work phone number, and your work e-mail address.*

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#### **WITHDRAWALS**

According to IRS regulations, funds may be withdrawn from an account for the following reasons **only**: separation from service, financial hardship, becoming disabled, at age 59½, or meeting the requirements for early retirement upon separation from service at age 55 or older. A financial hardship withdrawal must meet a two-part test:

1. There must be an immediate and heavy financial need, for which there are four reasons:
  - medical expenses incurred by the participant, the participant's spouse or any dependents of the participant or obtainment of medical care if the withdrawal is necessary for these persons to obtain medical care;
  - purchase of the participant's primary residence;
  - payment of tuition and related educational fees for the next 12 months of post-secondary education for the participant or the participant's spouse, children, or dependents; or
  - payments of amounts necessary to prevent eviction of the participant from the participant's principle residence or foreclosure on the mortgage of the participant's principle residence.
2. The withdrawal must be necessary to meet the need.

Your investment company must authorize a hardship withdrawal. If you take a hardship withdrawal, you may not contribute to the Tax-Deferred Annuity (TDA) Program for six months. You must submit a new SRA to stop contributions at the time your hardship is approved. After your hardship period ends, you may submit another SRA to restart your TDA.

You will not be able to take a distribution from the Employee Cash Match account (401a) while you are employed by Virginia Commonwealth University (VCU). Upon termination of employment from VCU, you will be required to withdraw the value of your Employee Cash Match account.

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**Precedence of Contributions:** In any pay period for which your salary does not permit your entire pre-tax or Roth election amount to be contributed, no contribution will be made for the applicable election. For employees with both pre-tax and Roth elections, VCU will prioritize the pre-tax election.