

# Portland Community College 403(b) and 457(b) Salary Reduction Agreement

Name: \_\_\_\_\_ G number: \_\_\_\_\_

## Notice to Employees

1. **Participation with any investment provider cannot occur unless the vendor agreement is in place prior to payroll deductions occurring. Therefore, the vendor agreement must be established by the employee before notifying Benefits/Payroll of your intent to participate in this program.**
2. Federal law limits the amount by which you can have your salary reduced and the terms under which you can enter and terminate 403(b) and Oregon Savings Growth Plan (OSGP) agreements. It is YOUR responsibility to determine the legality of your elections.
3. This agreement or a termination agreement must be signed and received by Benefits/Payroll no later than the 15<sup>th</sup> of a given month to be effective on the 1<sup>st</sup> paycheck of the following month.
4. The employer makes no representations concerning the advisability, appropriateness or tax consequences of any investments or transactions under the Plan.
5. The employer has no liability for any and all losses that may be incurred with regard to the employee's investment elections.
6. The employer may reduce, suspend, or reinstate contributions for compliance with applicable limits or as applicable under applicable administrative policies.

## Employee Elective Deferrals/Salary Reduction Agreement:

- A. In accordance with the provisions of the applicable state and federal law, and the supplemental retirement income plan adopted by Portland Community College on June 15, 1970, the undersigned employee hereby authorizes a reduction in salary by the amount indicated below. **Forms received by the 15<sup>th</sup> of the month will be applied to the first paycheck of the following month.** PCC agrees to purchase a retirement annuity with the proceeds of the salary reduction with the approved deferred compensation, insurance or annuity company designated below.
- B. This agreement shall be legally binding and irrevocable until such time as PCC or the undersigned employee provides 30 days written notice of the intent to terminate the agreement.
- C. The salary reduction shall not be in excess of the various limitations under the Internal Revenue Code. Employee and OSGP or the designated 403(b) company agree to assume all responsibility for the accuracy of such limitations and any resulting consequences.
- D. 403(b) elective deferral limits are taxpayer specific: The limits apply to the aggregate of all elective deferrals a taxpayer makes 403(b), 401(k), SEP IRA and SIMPLE IRA under all employer plans in which the employee participates.
- E. Amounts deferred to the 403(b) Plan or 457(b) must stay in the Plan until a qualifying event is met for distribution (for the 403(b) plan this is generally attainment of Age 59.5 or severance from employment, for the 457(b) Plan with OSGP severance from employment is the qualifying event for distribution).
- F. The employee is responsible for monitoring their account activity, reviewing any fees associated with the account and designating and periodically reviewing beneficiaries on the investment account.
- G. Special elections. Contact Carruth at [www.ncompliance.com/](http://www.ncompliance.com/) to determine your eligibility for 15 years of service election to a 403(b), or to coordinate the 3 Year Catch Up election with OSGP.
- H. Employee further agrees to assume all responsibility for the selection of the annuity carrier(s) indicated below for the purposes of this agreement. It is mutually understood that this agreement supersedes and replaces any prior agreements(s).
- I. If age 50+ and using the increased limits, up to the total limits for which you are eligible. please check this box.

403(b) Vendor Name	Per Check Amount	or Gross Pay Percentage	Action requested Circle one:	Pay Cycle Circle one:
_____	\$ _____	_____ %	Enroll / Change / Cancel	Monthly
_____	\$ _____	_____ %	Enroll / Change / Cancel	Bi-Weekly
OSGP pre-tax option	\$ _____	_____ %	Enroll / Change / Cancel	Both
OSGP Roth after-tax option	\$ _____	_____ %	Enroll / Change / Cancel	

**Employer Contribution - Executive, management, and confidential employees only.** Eligible after 1 year of employment in an eligible classification. 403(b) Vendor Name: \_\_\_\_\_

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

Must be a handwritten signature or verified e-signature using e-signature software

Accepted by Portland Community College: \_\_\_\_\_ Date: \_\_\_\_\_

**AFTER** you have established your account with the investment vendor, send completed salary reduction form to Payroll at [payroll-group@pcc.edu](mailto:payroll-group@pcc.edu) and [benefits-group@pcc.edu](mailto:benefits-group@pcc.edu).