



**SALARY REDUCTION AGREEMENT  
UNDER THE  
UNIVERSITY OF RICHMOND  
DEFINED CONTRIBUTION RETIREMENT PLAN**

BY THIS AGREEMENT, made between the UNIVERSITY OF RICHMOND (the "University") and \_\_\_\_\_ (*insert name*) (the "Employee"), the parties hereto agree as follows:

Effective for salary paid on or after \_\_\_\_\_ (*insert date*), the Employee's salary will be reduced by the amount shown below and the salary reduction amounts shall be contributed on your behalf to the University of Richmond Defined Contribution Retirement Plan (the "Plan"). Note that, notwithstanding this salary reduction agreement, certain amounts cannot be contributed to the Plan, including amounts that the Employer is required to withhold under federal, state, or local tax laws and any amount you have authorized the Employer to deduct for other purposes.

This Agreement is legally binding and irrevocable for both the University and the Employee with respect to amounts paid to the Employee while the Agreement is in effect. However, either party may terminate this Agreement as of the end of any pay period by giving at least thirty days' written notice. The Agreement will not apply to any amount paid to the Employee after the Agreement is terminated. The Agreement shall at all times be subject to the terms of the Plan.

**Check One:**

**Employee Contributing at Least 1% of Salary:** The amount of the salary reduction shall be \_\_\_\_\_% (*insert only whole percentages*) of the Employee's salary **each pay period**, subject to the annual limitations on retirement plan contributions that are imposed under federal tax laws.

-OR-

**Employee Contributing Less than 1% of Salary:** The amount of the salary reduction shall be less than one percent of the Employee's salary, equal to \$\_\_\_\_\_ (*insert whole dollar amounts*) or \_\_\_\_\_% (*insert fraction of percent*) **each pay period**, subject to the annual limitations on retirement plan contributions that are imposed under federal tax laws. Such amount shall be contributed to the Supplemental Retirement Annuities.

**Employees Eligible for University Matching Contribution:** If the Employee is eligible to participate in the University contribution portion of the Plan, the first 5% of salary reduction under this agreement shall be matched by the University (in whole percentages) and shall be contributed to the Employee's Retirement Annuities. Any salary reduction amount in excess of 5% shall be contributed to the Employee's Supplemental Retirement Annuities. However, if the Employee's contribution is less than 1%, the entire amount must be contributed to the Supplemental Retirement Annuities, where it cannot be matched.

**Employees Not Eligible for University Matching Contribution:** If the Employee is not eligible to participate in the University contribution portion of the Plan, the salary reduction under this agreement will be contributed entirely to the Employee's Supplemental Retirement Annuities.

**IMPORTANT NOTE:** Before you sign this salary reduction agreement, please review the attached Special Tax Notice. The notice explains special rules which limit the total amount of salary reduction contributions that you are permitted to make during the year to this Plan and any other tax-favored retirement plans in which you have participated or may participate. Please contact Human Resources at (804) 289-8877 if you need additional information.

Employee \_\_\_\_\_ Date \_\_\_\_\_ Daytime Phone Number \_\_\_\_\_

UR ID # \_\_\_\_\_ Date of Birth \_\_\_\_\_ Date of Hire \_\_\_\_\_

Pay Status:  Bi-weekly  Monthly

*UNIVERSITY USE ONLY*

Accepted By: \_\_\_\_\_, University of Richmond/HRS/Benefits

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**SPECIAL TAX NOTICE:** Federal tax law imposes an annual limit on how much an employee can contribute from his or her salary to a tax-favored retirement plan. For 2008, the annual limit is \$15,500. For 2009, the annual limit is \$16,500. The limit is a personal limit, not a plan specific limit. Therefore, the limit applies to the total amount of salary reduction contributions that you make for the year, including contributions that you have made or will make to another employer's tax-favored retirement plan during the year. You can be subject to additional taxes and penalties if your total salary reduction contributions for the year exceed this limit.

The University is only responsible for monitoring the contributions that you make to the University's Plan. **You are solely responsible for determining whether the salary reduction contributions that you have made or will make to another employer's retirement plan could cause your total salary reduction contributions for all plans in which you participate to exceed the annual limit.** Please review the Plan's summary plan description for more information about the annual limit on salary reduction contributions. You may need to limit the amount of salary reduction contributions that you make to this plan. If your salary reduction contributions to this Plan and any other plan or plans exceed the annual limit, you can avoid those taxes and penalties by requesting that excess salary reduction contributions be returned to you, as further explained in the summary plan description.

**Please retain this Special Tax Notice for your records**