



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

This agreement is made between _____ and the University of Richmond.
(print employee name)

Effective as of _____ OR the first available Payroll after this date.
(insert date)

The Employee's salary will be reduced by the amount shown below and the salary reduction amounts shall be contributed on his/her behalf to the University of Richmond Defined Contribution Retirement Plan. Note that 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. You may not defer more than 85% of your salary per pay period.

Please complete **only** the section below that applies.

If you are contributing at least 1% of your salary, make your contribution selection here:

_____ % Pre-tax (whole percentages only)
_____ % Roth (after-tax)* (whole percentages only)
_____ % Total you would like to contribute moving forward (whole percentages only)

-OR-

You may make a one-time annual deferral election to contribute \$200 (such deferrals are not eligible for the University Match)- YOU MAY NOT MAKE AN ELECTION FOR A DEFERRAL AMOUNT OVER \$200:

\$ _____ Pre-tax (insert whole dollar amounts)
\$ _____ Roth (after-tax)* (insert whole dollar amounts)
\$ 200 Total amount you would like to contribute in a one-time annual election.

Employee's salary each pay period is subject to the annual limitations on retirement plan contributions that are imposed under federal tax laws. Such amount shall be contributed to the Retirement Choice Contract.

Employees Eligible for University Matching Contribution: If the Employee is eligible to participate in the University contribution portion of the Plan, the first 1% up to 5% of salary reduction under this agreement shall be matched by the University (in whole percentages). Any salary reduction amount in excess of 5% is unmatched supplemental savings. However, if you contribute to the maximum of the IRS annual limit before the end of the calendar year, the University will not be able to continue with the matching contribution for the remainder of the year. In addition, if you are contributing both pre-tax and Roth after-tax contributions when closely reaching the maximum IRS annual limit, University of Richmond will default to use the employee pre-tax contribution source for your final contribution. Contributions less than \$200 are not eligible for the University match.

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 as unmatched supplemental savings. In addition, if you are contributing both pre-tax and Roth contributions when closely reaching the maximum IRS annual limit, University of Richmond will default to use the employee pre-tax contribution source for your final contribution.

***THE ROTH OPTION:** You have the option to make Roth contributions through the retirement program with after-tax dollars (money upon which income tax has been assessed). The Roth portion of your account can be distributed tax free if the distribution is no earlier than five years after contributions were first made and you meet at least one of the following conditions: age 59½ or older or permanently disabled.

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.

SPECIAL TAX NOTICE: For 2019, the annual Federal limit for salary reduction contributions to a retirement plan is \$19,000. The catch-up contribution limit for employees age 50 and over is \$6,000.

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.

Employee Signature

Date

Daytime Phone Number

UR ID #

Date of Birth

Date of Hire

Pay Status:

Monthly

Bi-weekly

Please send completed form to the HR Solution Center at URHR@richmond.edu.

If you are paid on a monthly basis, Human Resources must receive your signed Salary Reduction Agreement by the 15th of the month in order for the pre-tax Employee Deferral contributions to be effective for the next payday. If your Salary Reduction Agreement is received by Human Resources after the 15th of the month, the Salary Reduction Agreement will be effective for the payday following the next payday.

If you are paid on a bi-weekly basis, Human Resources must receive your signed Salary Reduction Agreement by the Friday following your payday in order for the pre-tax Employee Deferral contributions to be effective for the next payday. If your Salary Reduction Agreement is received by Human Resources after that Friday, the Salary Reduction Agreement will be effective for the payday following the next payday.