RI OFFICE OF THE POSTSECONDARY COMMISSIONER
403(b) RETIREMENT AUTHORIZATION

I hereby authorize you to deduct from my salary each biweekly pay period the amount required by Chapter 152 of the Public Laws of 1967 and Section 16-17, 1-2 of the General Laws of 1956, as amended.

☐ URI ☐ CCRI ☐ RIC ☐ OPC

SALARY REDUCTION AGREEMENT (tax-deferred)

I hereby authorize a total reduction of my gross income by _________% to be placed in a Retirement Choice and/or Retirement Choice Plus Contract with **TIAA**.

Retirement Choice Mandatory Contributions:		**Retirement Choice Plus Voluntary Contributions:**	
5 %	________ **Initial**	________ %	________ **Initial**

This agreement shall be legally binding and irrevocable as to each of the parties hereto while employment continues provided, however, that either party may terminate or modify this Agreement by instituting a new Agreement, or change the reduction agreement to a deduction agreement. (Please see back of this form for more information regarding allowable contributions.)

SALARY DEDUCTION AGREEMENT (*Only complete if Employee 5% contributed after taxes *)

☐ I hereby authorize you to deduct 5% of my gross income tax exempt. Employee Contributions are considered to be tax upon contribution and therefore will not be taxed upon withdrawal. Employer Contributions are made tax deferred into the Retirement Choice contract.

____
Initial

PLEASE READ THE FOLLOWING BEFORE SIGNING

I hereby declare that all action taken in connection therewith has been without endorsement and recommendation by you or any one authorized by you and I accept full responsibility for all financial tax and other consequences of my election to request the purchase of the contract.

In consideration of your making this program available to me, I hereby waive all claims of every kind and nature which I may now or in the future have arising out of this program, including, without limitation, claims for loss or damage arising out of nonpayment of premiums on the due date thereof.

I UNDERSTAND THAT IT IS MY RESPONSIBILITY TO REQUEST AND SUBMIT A NEW MAXIMUM CONTRIBUTION CALCULATION EACH YEAR.

______________________________	XXX-XX-______________
Last Name **First Name** **MI.**	**Last 4 digits Social Security Number**
______________________________	______________________________
Employee Signature	**Date**

For HR Office Use Only:

______________________	______ - ______ - ______	____________
Employer Representative	**Payroll Account #**	**Payroll Code**

______________________	____________	Yes No	**Override Code: (Circle One)**
Effective Date	**Union**	**MRP (Circle One)**	Over 50 - Code 5 Under 50 - Code 0

YOU ARE PERSONALLY RESPONSIBLE FOR THE AMOUNT YOU TAX-DEFER.

SEE BACK FOR MORE INFORMATION

What is the 403(b) DEFINED CONTRIBUTION RETIREMENT PLAN?

The RI Office of the Postsecondary Commissioner (RIOPC) Retirement Plan is a Defined Contribution ("Money Purchase") Plan. It was established by RIOPC and effective as of September 1, 1967. The Plan operates under Section 403(b) of the Internal Revenue Code. The Administrators of the Plan are the RI Office of the Postsecondary Commissioner, Community College of Rhode Island, Rhode Island College and the University of Rhode Island. Currently, benefits are provided through the following fund Sponsor:

TIAA Teachers Insurance and Annuity Association

Information packages and enrollment forms are available in the Office of Human Resources.

CONTRIBUTIONS

Eligible employees who have satisfied the requirements of Article III of the RIOPC Retirement Plan are required to make a Mandatory Plan Contribution of 5% of your gross income to a Retirement Choice contract (RC) and the corresponding Higher Education Institution will automatically contribute 9% of your gross income to the RC contract. Participants may contribute more than 5% (Elective Deferrals/Voluntary Contributions) up to the standard IRS Code 402(g) limit. Any additional voluntary contributions you designate must be allocated into a Retirement Choice Plus contract (RCP).

The mandatory 5% contribution can be made either tax deferred (before taxes are removed from the gross income) or tax exempt (contributions are made after taxes are removed from the gross income). Voluntary/ Elective deferral contributions must be made tax deferred to the RCP contract.

Salary Deduction vs. Salary Reduction

Salary **Reduction.** If you select salary reduction, you are using the tax-deferred method of annuity contribution. Your taxable income is reduced by the amount contributed to retirement; therefore, you pay less in tax dollars. The annuity contribution is not tax free, but is '~deferred~' until you begin receiving the annuity as income. The rationale for tax-deferring your retirement contribution is that at retirement your income may be less thereby putting you in a lower tax bracket (assuming the tax structure is similar to that now in place).

Salary **Deduction.** If you elect to have your retirement contributions made on a deduction basis, 5% will be deducted from your biweekly paycheck for the Retirement Choice contract. There are no immediate tax savings for this program. Upon retirement, you would not pay income tax on the amount you contributed during your working years. However, you have to pay tax on interest earned from your investments and on the College's share, but not until retirement.

What options do you have if you decide to tax-defer?

You may defer any amount up to your maximum annual allowance as determined annually by IRS rules. Each employee's maximum should be calculated **each calendar year** as the maximum may change each year based on new federal limits and age. If you are age 50 or will turn age 50 in this calendar year you **may** qualify for additional catch-up deferrals.