

# MISSISSIPPI STATE UNIVERSITY 403(b) PLAN

## AFTER-TAX ROTH Salary Reduction Agreement

*This is an after-tax salary reduction agreement. Pre-tax salary reduction agreements require a separate salary reduction agreement form; available online: [www.hrm.msstate.edu](http://www.hrm.msstate.edu), click on Benefits or call the MSU Benefits Office, (662)325-3713 to request a form.*

**PART I.**

PLEASE TYPE OR PRINT

|                             |                          |
|-----------------------------|--------------------------|
| <b>EMPLOYEE'S FULL NAME</b> | <b>MSU ID NUMBER</b>     |
| <b>EMAIL ADDRESS</b>        | <b>WORK PHONE NUMBER</b> |

Deferral Authorization and Vendor Designation(s): Employee hereby authorizes Mississippi State University (MSU) to reduce Employee's after-tax salary by the amount indicated and to remit that amount as an elective deferral contribution on the Employee's behalf to the vendor(s) designated. A ROTH after-tax account containing investments maintained by the vendor is held separately from a pre-tax account. Employee understands that maximum contributions are limited by Internal Revenue Code section 403(b), and that limits apply to contributions made through MSU and all other employers. Only vendors on MSU's approved vendor listing may be selected. By signing this form, Employee certifies that Employee understands that amounts contributed under MSU's 403(b) Plan may only be withdrawn in the event of death, disability (as defined by the Plan), severance from employment, the attainment of age 59-1/2 or in the event of a financial hardship (as strictly defined and limited by federal tax law) and that loans from the Employee's 403(b) account are not permitted.

Please check one box:

**Initial Election.** (Enter your vendor selections and corresponding salary deferral contribution elections in the section below.)

**Change Contribution Amount.** Increase or decrease the salary deferral contribution amount per pay check. (Enter name of vendor and corresponding contribution amounts for all vendors to whom future contributions are to be directed in the section below.)

**Stop Contributions.** (Enter your current vendor elections and \$0.00 (zero) in box marked "amount per check" in the section below.)

**Change Vendor.** Stop current contributions to the \_\_\_\_\_ and send future contributions  
Vendor (to discontinue)  
to the vendor(s) specified below. (Enter all elected vendors and the corresponding amounts for your future contributions in the section below.)

|   | Salary Deferral Contribution Election* |
|---|--|
| NAME OF VENDOR (must be approved TDA vendor)* | Amt. (Per Check)                       |
|   |  |
|   |  |
| <b>TOTAL AMOUNT PER PAY CHECK</b>             |  |

\*Part II must be completed before form will be processed.

Deferral Limit - If you are under age 50 as of December 31, 2017, the maximum annual deferral is \$18,500. If you are age 50 or older as of December 31, 2017, the maximum annual deferral is \$24,500 for 2018 (\$18,500 general limit increased by \$6,000 catch-up limit).

IMPORTANT: If you are concurrently deferring PRE-TAX amounts, the annual deferral limit overall (pre-tax plus after-tax Roth deferrals) is \$18,500. The employee/plan participant is responsible for complying with contribution limits.

**Acknowledgment of Responsibilities:** Both MSU and Employee acknowledge and understand that Employee has total responsibility for deciding whether to defer after-tax income, for selecting the vendor from among those on MSU's current list of authorized vendors, and for selecting the investment options from among those available under the vendor's product. Employee assumes full responsibility for the results of his or her investment choices and the tax consequences of any failure to comply with contribution limitations under the U.S. Internal Revenue Code. The instructions on the reverse side of this form are an integral part of this agreement and provide essential information for understanding MSU's 403(b) Plan and for completing the Salary Reduction Agreement. Employee acknowledges that MSU has made no representation to employee(s)/plan participant(s) regarding advisability, appropriateness, or tax consequences of participating in the ROTH after-tax 403(b) account.

EMPLOYEE'S SIGNATURE

DATE SIGNED

**Forms will not be processed without employee's signature.**

**PART II.**

Agent's Signature. **Required for New Accounts.** Agent must be on the Mississippi State University approved vendor list or SRA will be voided.

AGENT'S PRINTED NAME

PHONE NUMBER

SIGNATURE

# MISSISSIPPI STATE UNIVERSITY

## *ROTH After-Tax Salary Reduction Agreement Instructions (01/2018)*

**General:** These instructions have been established to expedite the processing of the Salary Reduction Agreement (SRA). All deferrals, investment new enrollments, restarts, changes, and stops require completion of the SRA. **The completed SRA should be returned to the Department of Human Resources Management, Box 9603, Mississippi State, MS, 39762 or be delivered to 150 McArthur Hall.** The SRA is an agreement between the Employee and Mississippi State University (MSU). The income deferral is in the form of a voluntary salary reduction from after-tax pay (called a “salary deferral contribution”). The salary deferral contribution amount is invested with a financial institution (“vendor”) in a ROTH account type established in the Employee’s name. MSU enters agreements with vendors that offer investment products (annuity contracts or custodial accounts) that are permissible funding vehicles for plans subject to section 403(b) of the Internal Revenue Code (“IRC”). For after-tax deferrals State and Federal income taxes are withheld on salary before the reduction. Other withholdings, deductions, and contributions including Social Security taxes apply to gross pay before any salary reduction. Court ordered deductions for pay (e.g., garnishments) are based on gross pay; they are not affected by income deferral. The SRA is applicable to all MSU compensation earned in any one or more departments. **For assistance in completing this form, employees should consult representatives of their selected vendor or a financial advisor to determine the correct deferral amount, including special elections.**

Maximum permissible deferrals, subject to the IRC 402(g) General Limit and the Age 50 Catch-Up Election (IRC 414(v)), are shown in the table below. Your deferral contribution election can only apply to compensation from MSU that has not yet been earned or received. Your after-tax deferral amount for any pay period cannot exceed 100% of your pay for that pay period. Contact the IRS or visit the IRS website at <http://www.irs.gov/retirement/> for publications explaining applicable rules. The employee/plan participant is responsible for complying with annual deferrals limits posted below. For plan participants concurrently deferring ROTH after-tax salary reduction elections and pre-tax salary reduction elections, the overall \$18,500 limit is a combined aggregate limit (pre-tax elections plus after-tax elections). The employee is responsible for calculating aggregate salary reduction elections and complying with IRC deferral limits.

### Maximum Annual Deferrals

| Age as of 12/31/2017 | General Limit<br>IRC 402(g) | Age 50 Catch-Up<br>Limit<br>IRC 414(v) | 2018<br>Combined<br>Deferral Limit |
|----------------------|-----------------------------|--|------------------------------------|
| Under Age 50         | \$18,500                    | N/A                                    | \$18,500                           |
| Age 50 or Older      | \$18,500                    | \$6,000                                | \$24,500                           |

Employee is fully responsible for all computations regarding the salary reduction. IRS Publications provide information on the maximum amounts that may be contributed to the plan in any given year. Consult a vendor representative, a financial advisor, or the IRS for advice.

Your salary deferral contribution election will be processed on the first payroll period during the month if your properly completed SRA is received by HRM on or before the first day of the month. If your SRA is received by HRM between days 2-15, it will be processed on the second payroll period.

**The salary reduction(s) specified on this form will continue until participation is revoked or the deferral election or vendor selection changed by execution of a new salary reduction agreement.**

Salary reduction amounts may be allocated to one or more MSU-approved vendors. For a current list of approved vendors, visit the HRM website <http://www.hrm.msstate.edu/benefits/retirement/supplemental/annuity/> or contact HRM.

Employee assumes full responsibility for the tax, processing, and investment consequences of the SRA, and releases the State of Mississippi, Institution of Higher Learning (IHL) and MSU employees from any liability for financial loss resulting from any calculations or from selection of a vendor or its investment vehicles, from incorrect evaluation of tax-deferred status, from processing delays or errors, from discontinuance of present legislation affecting such benefits, and from incorrect advice received from any approved vendor, its employees or representatives.

The Employee and the Agent authorize the action requested on the SRA by signing and dating the form.