

Voluntary Salary Reduction Agreement

The purpose of this Salary Reduction Agreement is to document your voluntary pre-tax salary reduction contributions effective on or after January 1, 2009. If you are a participant in the University of Notre Dame Defined Contribution Retirement Plan for Faculty & Administrators (the "NDFAPlan"), your voluntary contributions are in addition to your mandatory contribution of 5%. The maximum amount you may defer under this Salary Reduction Agreement is governed by the Internal Revenue Service.

In general, the maximum amount of your voluntary contributions in the year 2009 is \$16,500. If you are currently 50 years old or will turn age 50 before the end of the calendar year, you may defer an additional \$5,500 for 2009. In addition, if you have completed 15 or more years of service with the University, you may be eligible to make special catch-up contributions in excess of the general limits which is described in detail on the back of this form. These maximums assume that you are not making contributions to a retirement plan maintained by an employer other than the University during the year.

If you made or received additional retirement contributions to a retirement plan maintained by an employer other than the University during the year your maximum may be less. Please contact Human Resources at 631-5900 for assistance in determining your correct maximum or if you would like more information regarding these limits.

A - Statement of Purpose

Name: Net ID or ND ID: _____

➤ I am completing this form because I wish to:

- Begin** voluntary pre-tax salary reduction contributions. (Please complete sections **B, C, D** and **E**.)
- Make changes to** my voluntary pre-tax salary reduction contributions. (Please complete sections **B, C, D** and **E**.)
- Cancel** my voluntary pre-tax salary reduction contributions. (Please complete section **F** only.)

B - Authorization of Voluntary Salary Reduction

➤ I hereby direct the University of Notre Dame to reduce my regular salary on a pre-tax basis by one of the following methods:

- _____%
- \$_____ (per pay period)
- Maximum amount allowed during this calendar year is \$16,500.
- Age 50 Catch-up this calendar year is \$22,000 (if are currently over 50 or will turn 50 during 2009)

Each year your contributions will automatically increase to the new federal maximum unless you complete a new Salary Reduction Agreement.

Have you or will you contribute to another employer's retirement plan during 2009?

- Yes → If yes, how much? \$_____/year.
- No

Special Catch-Up Contributions

Please check here if you have completed 15 or more years of service with the University and you wish to contribute an additional catch-up contribution to the plan. Someone from the University will call you to discuss your options. You will be asked to confirm whether or not you have previously made contributions under this special 15 years of service catch-up contributions to a Notre Dame Plan or another employer's plan. Please note that if you are eligible for both special 15 year catch-up contributions and age 50+ catch-up contributions, your contributions will be treated as special 15 year catch-up first until your limit has been exhausted before they are treated as 50+ catch-up.

C - Investment Direction

➤ I hereby direct the University to forward these amounts to the following Fund Sponsors in the percentages designated below:

Fund Sponsors

- Fidelity Investments _____%
- TIAA/CREF _____%
- The Vanguard Group _____%

Total: 100%

NOTE: In order to enroll with each vendor, you must complete an enrollment form in addition to this form.

Enrollment forms are available from the Office of Human Resources, 200 Grace Hall or on our website. You may change your investment allocations by contacting Fidelity Investments, TIAA-CREF or The Vanguard Group directly.

HR Use Only: NDFAPlan SRA

Effective Date: _____

of Pays: _____

Employee Amount: _____

Notre Dame Amount: _____

SRA %: _____

D – Effective Date of Agreement

➤ Please make this agreement effective (choose one):

- As soon as is administratively practical following the date I complete this form and return it to the Office of Human Resources.
- On the following future date*: _____.

***NOTE:** The date you select for withholding may not be your effective date. Your effective date is determined by Payroll Office deadlines and the timeliness of the form submission. Therefore, your true effective date is the date on which withholding first occurs.

E – Your Approval

- I understand that this Agreement is legally binding and irrevocable with respect to contributions made while the Agreement is in effect. Therefore, amounts previously withheld from my pay under the terms of this Agreement cannot be returned to me unless I am eligible for a distribution under the terms of the 403 (b) Plans, or have exceeded maximum IRS contribution limits for a year.
- I authorize the University to release to or obtain from a Fund Sponsor any information which is reasonably required in order to calculate my contribution limits or administer my tax-sheltered annuity or account.
- I understand nothing contained in this Agreement shall be deemed to constitute an employment agreement, and nothing contained herein shall be deemed to give me any right to continue employment with the University.
- I understand that if my salary deferrals to the NDFA Plan, SRA Plan, and to other retirement plans exceed the IRS limit described above in any calendar year, the excess will be taxable both in the year the deferral and the year of distribution unless I request in a timely manner to have the excess returned to me. To have the excess returned to me, I must notify the University and the Fund Sponsors of the excess before March 1 of the year following the year in which the excess deferral was made.
- I understand that if I am participating in the NDFA Plan and wish to contribute extra to that Plan, then my investment allocation indicated on this form will override my NDFA Plan investment allocation currently on file.
- I understand that my salary deferrals to the NDFA Plan and SRA Plan are also limited by the general rules of Code Section 415 to the lesser of \$49,000 (as adjusted by the IRS for cost of living) or 100% of compensation.
- I understand that this Salary Reduction Agreement will continue from year to year unless I change or terminate it. I am free to change or terminate the Salary Reduction Agreement at any time. The University may reduce or discontinue my contributions in any year in which this Salary Reduction Agreement is in effect, if necessary, to comply with the Internal Revenue Code. If I terminate employment with the University or if the University terminates the NDFA or SRA Plan, this Agreement shall automatically terminate.

Faculty, Administrator, or Staff Signature

Today's Date

F – Cancellations Only

➤ Please cancel my contributions (choose one):

- as soon as is administratively practical following the date I complete this form and return it to the Office of Human Resources.
- as of _____ or on the following future pay date: _____.

Faculty, Administrator, or Staff Signature

Today's Date

Explanation of Special 15 Years of Service Catch-up Contributions

A special catch-up election allows employees who have completed 15 or more years of service with the University to "catch-up" on the funding of their retirement benefits where they might not have been able to do so earlier in their career. This 15 years of service catch-up contribution is in addition to the age 50 and over catch-up contribution. Such employee may make additional salary reduction contributions in the following amounts, whichever is the least of:

1. \$3,000. In no year can the additional salary reduction be greater than \$3,000.
2. \$15,000 reduced by your voluntary salary reduction contributions excluded from your gross income in prior years under this special catch-up rule. This means that the \$15,000 aggregate life-time limit applies to the total amount of special catch-up contributions to this Plan and special catch-up contributions made to another employer's plan. The University will ask you to confirm whether or not you have contributed any special 15 years of service catch-up amounts to another 403(b) plan.
3. The excess of (1) \$5,000 multiplied by the number of years of service with the University over (2) the voluntary salary reduction contributions made by you for prior tax years under the University's 403(b) Plans. For instance, assume you have 10 years of service with the University. $10 \times \$5,000 = \$50,000$. If you contributed \$50,000 or more in voluntary 403(b) contributions on a cumulative basis over such 10 years, you cannot make any additional contributions to the plan using this special 15 years of service catch-up contribution.