

**BOARD OF GOVERNORS FOR HIGHER EDUCATION
TAX-DEFERRED ANNUITY AGREEMENT**

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SALARY REDUCTION AGREEMENT (tax-deferred)

I hereby authorize you to reduce my salary by _____% and with this money, excluded from taxable income, to purchase an annuity for me. 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 this Agreement as of the end of any calendar year.
(Voluntary contributions to my Supplemental Certificate only)

Circle one carrier and corresponding payroll code:

<u>NAME OF CARRIER</u>	<u>PAYROLL CODE</u>
METLIFE	3
TIAA/CREF	7
VALIC	9

Please check here if you have elected over-50 catch-up contributions and the appropriate "Catch-up Request Form" has been filed.

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.

NAME: Last	First	MI.	Social Security Number
_____			_____
Employee Signature			Date
_____			_____
Witness			Payroll Account #
_____			_____

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

DEFINED CONTRIBUTION RETIREMENT PLAN

What is The Rhode Island Board of Governors' Retirement Plan? The RI Board of Governors' Retirement Plan (the "Plan") is a Defined Contribution ("Money Purchase") Plan. It was established by the Board of Governors 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 Board of Governors for Higher Education, Community College of Rhode Island, Rhode Island College and the University of Rhode Island. Currently, benefits are provided through the following fund Sponsors:

TIAA/CREF Teachers Insurance and Annuity Association-College Retirement Equities Fund
METLIFE Metropolitan Life Company
VALIC VALIC Financial Advisors, Inc.

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

CONTRIBUTIONS

Participants may contribute more than 5% (Voluntary Plan Contributions); up to his or her IRS Code 402(g) limit excluding the 15 years of service 403(b) catch-up provision.

Any additional voluntary contributions you designate must be allocated into a Group Supplemental Retirement Annuity Certificate (GSRA).

Salary Reduction

Salary Reduction. When 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).

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 excluding the 15 years of service 403(b) catch-up provision. 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.

AFTER YOU HAVE DECIDED TO TAX DEFER OR NOT, PLEASE COMPLETE EITHER SECTION A OR B.