

### UMC Health System Tax-Sheltered Annuity Reduction Agreement

Employee Name: \_\_\_\_\_  
Job Title: \_\_\_\_\_  
Employment Date: \_\_\_\_\_

Social Security #: \_\_\_\_\_  
Department: \_\_\_\_\_  
HR verification: \_\_\_\_\_

.....  
UMC Health System is authorized to: (check all that apply)  
 Enroll Me     Change My Contribution     Change My Fund Co     Cancel Participation  
In the  403b plan (TSA)                       457 plan

.....  
It is agreed that as of \_\_\_\_\_, 20\_\_ my wages shall be reduced per pay period (26 times per year) as outlined below:

<b>403b</b>
Gross Pay Percentage _____
UMC Match Percentage _____

<b>457</b>
Dollar Amount _____
UMC Match _____

Contributions will be forwarded to: \_\_\_\_\_  
Fund Company from Approved Fund List

(If this is a change, please indicate the previous fund company and the last day contributions may be forwarded): \_\_\_\_\_, 20\_\_  
Previous Fund Company                                      Stop date for last deposit

.....  
I recognize that I will be the owner of this account and will be responsible for verifying deposit as well as distributions. **If I choose to contribute a percentage of my annual salary I authorize UMC Health System to adjust my contribution in the event of any salary changes.** We will match my contribution up to a pre-determined amount based on my own contributions as well as my length of service.

Contributions to my tax deferred account will be deducted from my paycheck on a pre-tax basis 26 times per year. Should I choose to discontinue this benefit or change my fund company selection, sufficient notice should be provided to UMC Health System to insure the proper credit of funds in transit or those not yet posted to my account. As owner of this annuity I realize that I am responsible for being familiar with policies specific to my fund company as well as IRS regulations and tax laws.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Fund Co. & Representative Name from Approved List (Please Print)

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Representative Signature

\_\_\_\_\_  
Date

## TSA Enrollment Form Instructions

This form is required for enrollment in the Tax Sheltered Annuity (TSA) benefit of UMC Health System. A TSA allows employees to save money for retirement with tax-free dollars while maximizing earnings growth with a matching contribution from the hospital. Money will be taxable upon withdrawal. UMC has two TSA programs, a 403b plan and a 457 plan. They meet Internal Revenue Codes. UMC Health System will match employee contributions up to certain levels based on length of service. The current matching schedule is as follows:

<u>Length of Service</u>	<u>Percent of Base Salary Matched</u>
90 days – 5 yrs	2%
5 yrs – 8 yrs	3%
8 yrs – 11 yrs	4%
11 yrs – 15 yrs	5%
15 yrs – 20 yrs	6%
20 yrs – 25 yrs	7%
25 yrs and above	8%

An employee must contribute the match in order to receive the match. However, UMC will match either the 403b or 457 plan, but not both. Payroll deductions of the TSA and 457 are taken 26 times per year. Because the money is deducted on a pre-tax basis the reduction in salary has less impact on actual take home pay. Specific tax laws and other rules imposed by the federal government do limit access to fund prior to retirement. Penalties may apply if TSA or 457 money is withdrawn prematurely.

Employees wishing to enroll in a TSA or 457 must have salary information completed by HR staff. Matching contributions are calculated on Gross pay and include income from differentials, bonus pay or other incentives. Matching funds will not exceed the employee contribution (for example: if an employee contributes only 2% of their income the UMC match will also be only 2%).

After obtaining salary verification, employees will need to select a fund company representative from the list of authorized agents. It is the responsibility of the employee to meet their agent and determine the type of investment options that are most appropriate. Although basic TSA accounts are similar among fund companies, each may have rules and benefits specific to their accounts. As owner of this account it is vital that each employee understand the rules and policies that govern the investment they have selected. After meeting with an authorized representative and setting up an account this form can be completed by the employee and their fund agent and returned to Human Resources. **This form is not complete until signed by both the employee and fund company representative and returned to HR.**

The UMC match will be automatically adjusted for all employees as pay rates or length of service dictate.

Should an employee desire to change their contribution percentage, change their fund company, or cancel the benefit, an additional form will be required. In the case of a change in fund company, a stop date for the previous selection must be included to avoid forwarding funds to a closed account. It is the responsibility of the employee to manage changes to insure that funds in transit or those awaiting credit can be received into a valid account. Typically, deductions are forwarded to fund companies during the week immediately after the pay date.

For specific UMC policy information concerning the tax deferred savings benefits, please refer to the SPP or contact a Human Resources representative.