

# CAL POLY

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## CORPORATION

### **TAX SHELTERED ANNUITY PROGRAM**

The Tax Sheltered-Annuity (TSA) program provides a means of accumulating tax-deferred dollars during your working career in order to supplement your income after retirement. You may contribute part of your income to a variety of annuities or mutual funds through payroll deduction. The **2015** elective deferral limit is \$18,000. Both Federal and State income taxes are immediately reduced: your contributions and investment earnings are not taxed until they are withdrawn at some future date. This is usually after retirement when the taxpayer is often in a lower tax bracket.

Participants who have reached age 50 by the end of the plan year and are eligible to contribute an additional \$6,000 in make-up contributions (for an annual total of \$24,000).

#### **ENROLLING:**

- Contact the TSA company and establish an account.
- Receive written verification from the TSA company of your account number.
- Complete the "Compensation Reduction Agreement" form.
- Submit the form to Human Resources for processing.

#### **AUTHORIZED COMPANIES FOR TSA CONTRIBUTIONS:**

*(You may designate a company that is not listed below if an Information Sharing Agreement is completed and it is approved and signed by the Human Resources Director)*

<b>Company</b>	<b>Website</b>	<b>Phone</b>
American Century	<a href="http://www.americancentury.com">www.americancentury.com</a>	800-345-3533
American Funds/Capital Bank & Trust	<a href="http://www.americanfunds.com">www.americanfunds.com</a>	800-421-0180
Ameriprise Financial (formerly IDS)	<a href="http://www.ameriprise.com">www.ameriprise.com</a>	800-862-7919
Franklin Templeton	<a href="http://www.franklintempleton.com">www.franklintempleton.com</a>	800-527-2020
Industrial Alliance Ins. & Financial Services	<a href="http://www.inalco.com">www.inalco.com</a>	866-363-3290
ING Reliastar	<a href="http://www.ing.com">www.ing.com</a>	800-369-5303
Life Ins. Of the Southwest	<a href="http://www.lifeofsouthwest.com">www.lifeofsouthwest.com</a>	800-579-2878
MetLife Insurance	<a href="http://www.metlife.com">www.metlife.com</a>	800-MET-LIFE
Oppenheimer Funds	<a href="http://www.oppenheimerfunds.com">www.oppenheimerfunds.com</a>	888-470-0862
Security Benefit	<a href="http://www.securitybenefit.com">www.securitybenefit.com</a>	800-888-2461
Thrivent Financial for Lutherans	<a href="http://www.thrivent.com">www.thrivent.com</a>	800-847-4836
USAA Investment Management Co.	<a href="http://www.usaa.com">www.usaa.com</a>	800-531-8292
Vanguard	<a href="http://www.vanguard.com">www.vanguard.com</a>	877-662-7447

## **QUESTIONS TO CONSIDER WHEN SELECTING A TAX-DEFERRED CONTRIBUTION PLAN**

Several factors should be considered when choosing a tax-deferred contribution plan. The questions listed below may aid you in selecting the best plan for you.

- What are the company's fees and charges for handling a policy?
- When are the charges made and how are they assessed?
- When may I withdraw from my account?
- Are there any charges or penalties for withdrawals?
- How often will I receive a statement from the company?
- Is there a local representative for the company or will I need to call long distance to the home office?

# CAL POLY

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## CORPORATION

Human Resources  
1 Grand Avenue, Building 15  
San Luis Obispo, CA 93407-0707

### SALARY REDUCTION AGREEMENT FOR 403(B) PLAN EFFECTIVE 2015

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#### Part 1. Employee Information (print or type):

Name:

Work #:

Cell/Home #

Address:

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#### Part 2. Agreement

The above named Employee elects to become a participant of the Cal Poly Corporation's 403(b) Plan and agrees to be bound by all the terms and conditions of the plan. By executing this agreement, Employee authorizes Cal Poly Corporation to reduce his or her compensation and have that amount contributed as an elective deferral on his or her behalf into the annuity or custodial accounts as selected by Employee. It is intended that the requirements of all applicable state or federal income tax rules and regulations (Applicable Law) will be met. Employee understands and agrees to the following:

- 1) This Salary Reduction Agreement is legally binding and irrevocable with respect to amounts paid or available while this agreement is in effect;
- 2) This Salary Reduction Agreement may be terminated at any time for amounts not yet paid or available, and that a termination request is permanent and remains in effect until a new Salary Reduction Agreement is submitted; and
- 3) This Salary Reduction Agreement may be changed with respect to amounts not yet paid or available in accordance with Cal Poly Corporation's administrative procedures.

Employee is responsible for providing the necessary information at the time of initial enrollment and later if there are any changes in any information necessary or advisable for Cal Poly Corporation to administer the plan. Employee is responsible for determining that the salary reduction amount does not exceed the limits set forth in applicable law. Furthermore, Employee agrees to indemnify and hold Cal Poly Corporation harmless against any and all actions, claims, and demands whatsoever that may arise from the purchase of annuities or custodial accounts. Employee acknowledges that Cal Poly Corporation has made no representation to Employee regarding the advisability, appropriateness, or tax consequences of the purchase of the annuity and/or custodial account described herein. Employee agrees Cal Poly Corporation shall have no liability whatsoever for any and all losses suffered by Employee with regard to his/her selection of the annuity and/or custodial account. Nothing herein shall affect the terms of employment between Cal Poly Corporation and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

Employee is responsible for setting up and signing the legal documents to establish an annuity contract or custodial account. However, in certain group annuity contracts, Cal Poly Corporation may be required to sign to establish the contract.

Employee is responsible for naming a death beneficiary under annuity contracts or custodial accounts. Employee acknowledges that this is normally done at the time the contract or account is established and reviewed periodically.

Employee is responsible for all distributions and any other transactions with Vendor. All rights under contracts or accounts are enforceable solely by Employee, Employee beneficiary, or Employee's authorized representative. Employee must deal directly with Vendor to make loans, transfers, apply for hardship distributions, begin regular distributions, or any other transactions. Cal Poly Corporation may be required to approve such transactions as indicated in our Plan Document.

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**Part 3. Representation by Employee for Calendar Year:**

A. Participation in other Cal Poly Corporation plans: (you must check only one)

I do not and will not have any other elective deferrals, voluntary salary reduction contributions, or non-elective contributions with any other employer.

I do participate in another employer's 403(b), 401(k), SIMPLE IRA/401(k), or Salary Reduction SEP. The following information pertains to all of my other employers for the current calendar year:

Elective Deferrals \$

B. I have not received a Hardship Distribution from a plan of Cal Poly Corporation within the last six months. I further agree to provide notification to Cal Poly Corporation prior to initiating a request if I plan to elect a hardship distribution during the term of this agreement.

C. Maximum Elective Deferral 403(b) salary reduction contribution: (you must check only one)

My elective deferral/salary reduction contribution does not exceed the Basic Limit (the lesser of my includible compensation or \$18,000 or IRS Maximum).

My elective deferral exceeds the Basic Limit, however; the attached worksheets support the additional "Age 50 Catch-up provision" of \$6,000. I do not qualify for the special increased limit under the "15-year rule."

My elective deferral exceeds the Basic Limit, however; the attached worksheets support the additional Catch-up provision for the "15-year rule" and the "Age 50 Catch-up provision" for this calendar year only. I understand that amounts in excess of the basic limit shall be allocated first to the "15-year rule" and next to the "Age 50 Catch-up provision."

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**Part 4. Voluntary Salary Reduction Information: (Check all that apply)**

Initiate new salary reduction Please complete Part 5.

Change salary reduction This is notification to change the amount of my elective deferral to the new amount listed in Part 5.

Change Authorized Vendor This is notification to change my Vendor – Complete Part 5.

Discontinue salary reduction Please discontinue my elective deferral to the following Vendor:

IMPLEMENTATION DATE (next available pay date on or after):

**Part 5. Funding Vehicle & Amount of Pre-Tax Elective Deferrals:**

	Contribution Per Pay Period	Authorized Vendor (Annuity Contracts or Custodial Accounts) <i>IF NEW VENDOR INCLUDE CONTRACT #, ADDRESS, AND PHONE #</i>	
1.	\$	Vendor: Address:	Contract #:  Phone #:
2.	\$	Vendor: Address:	Contract #:  Phone #:
3.	\$	Vendor: Address:	Contract #:  Phone #:

**Part 6. Employee Signature**

I certify that I have read this complete agreement and provided the information necessary for Cal Poly Corporation to administer the Plan and that my salary reductions will not exceed the elective deferral or contribution limits as determined by Applicable Law. I understand my responsibilities as an Employee under this Program, and I request that Cal Poly Corporation take the action specified in this agreement. I understand that all rights under the annuity or custodial account established by me under the Program are enforceable solely by my beneficiary, my authorized representative or me.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Part 7. Cal Poly Corporation Signature**

Cal Poly Corporation hereby agrees to this Salary Reduction Agreement:

CPC Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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