



State of Tennessee
Salary Reduction Agreement
401(k) Plan (Traditional and Roth)
457 Plan
Longevity

Send completed forms to:
 Benefits Administration
 26th Floor Tennessee Tower
 312 Rosa L. Parks Avenue
 Nashville, TN 37243

*Higher Ed employees provide
 to your Institution*

Section 1: Employer Information

State Employees on Edison may enter Reductions online at ESS > Benefits > Deferred Compensation Enroll

PAYROLL CENTER NAME:	DEPARTMENT NAME:	ARE YOU CHANGING PAYROLL Frequency? <input type="checkbox"/> YES <input type="checkbox"/> NO
		I am paid: <input type="checkbox"/> monthly <input type="checkbox"/> semi-monthly <input type="checkbox"/> other _____
		I was paid: <input type="checkbox"/> monthly <input type="checkbox"/> semi-monthly <input type="checkbox"/> other _____

Section 2: Employee Information

EMPLOYEE INFORMATION:			
Last	First	MI	Social Security Number
Address - Number and Street			Home Phone
City	State	Zip Code	Work Phone

Section 3: Contribution Information

Complete a separate form for Longevity and Regular Deferrals.
 SPECIFY **ONE** OF THE FOLLOWING:

Change Payroll Deduction Restart Contributions Longevity Payroll Deduction Stop Contributions

Elect your 401(k) and 457 **DEFERRAL AMOUNTS**:

Effective ____ / ____ / 20____ **(Effective date must be at least one month after completion of this agreement.)**

I hereby authorize & direct my employer to deduct \$_____ 401(k) [pre-tax] per pay period from my gross salary.

I hereby authorize & direct my employer to deduct \$_____ Roth 401(k) [after-tax] per pay period from my gross salary.
State match to 401(k) Plan is subject to annual appropriation.

I hereby authorize & direct my employer to deduct \$_____ 457 [pre-tax] per pay period from my gross salary.

\$_____ **TOTAL**

LONGEVITY DEFERRAL AMOUNT

Effective ____ / ____ / 20____, designate longevity deferral to one of the following plans: Pre-Tax 401(k)
 Roth After-Tax 401(k)
 Pre-Tax 457

I hereby authorize and direct my employer to deduct from my longevity pay \$_____.

Section 4: Required Signatures

I have completed, understand, and agree to the terms of this Agreement and authorize the payroll deduction as indicated on this form. I understand these deferral amounts are supplemental retirement savings. I have read the attached agreement in full. I understand that Salary Deferrals to 401(k) plans and 457 plans are subject to different laws and rules established by the Internal Revenue Code. Contributions of eligible deferral amounts to a 401(k) are subject to a single limit. The pre-tax and after-tax contributions are added together to determine if that limit has been met.

 Participant Signature

 Date

Salary Reduction Agreement
401(k) Plan (Traditional and Roth), 457 Plan, and Longevity

www.tn.gov/treasury/dc

Whereas the employer, hereinafter referred to as “Employer” has established a 401(k) Plan and a 457 Plan, hereinafter referred to as “the Plan(s)” pursuant to Internal Revenue Code (IRC) Section 401(k) and IRC § 457; and

Whereas I, the employee, have elected to participate in the Plan(s) by deferring a portion of my salary into the Plan(s), it is hereby agreed as follows:

I have received a copy of the applicable 401(k) and 457 Deferred Compensation Plan(s) and understand the terms and provisions thereof.

That the Deferred Compensation Plan(s) is/are incorporated into this Participation Agreement and that these together constitute my entire rights and obligations under the Plan.

I hereby request and direct that my salary be reduced as of the effective date designated on the front of this form (this date must be a month after the date this agreement is signed), and that the Employer, its proper officers, agents and employees contribute these deferrals into the plan.

Under applicable Treasury Regulations, I agree and understand that increasing, decreasing or stopping the amount deferred per pay period requires that a new Agreement be made, unless I experience an unforeseeable emergency (as defined by the internal revenue service), in which case deferrals will automatically cease for a minimum time period as designated by the Plan. I understand that my employer may limit the number of times I am permitted to make a change in any calendar year. I understand that a Roth after tax deferral is subject to timing restrictions to avoid tax consequences of early disbursement.

I understand that the Internal Revenue Code limits the amount that I may contribute to a 401(k) Plan and or to a 457 plan. It is my responsibility to monitor the amount I contribute per pay period to ensure that my total annual deferrals to the Plan(s) do not exceed the amount permitted under the Internal Revenue Code as amended from time to time. Additionally, during the three calendar years ending prior to my normal retirement age as defined by the 457 Plan, I may be eligible to contribute a catch-up amount if I did not contribute the maximum allowable amount during any year I was eligible to participate in the 457 plan. I understand that a catch-up contribution may not be made during the calendar year of my normal retirement age. Any elective deferral in excess of the applicable limit must be included in my gross income for the year of deferral.

I understand that this Agreement is legally binding and irrevocable as to salary earned while the Agreement is in effect; except that the Employer may reduce the amount of the salary reduction if it is determined that such amount will exceed the limitations of Internal Revenue Code.

That the amount deferred in accordance with this Agreement shall be paid out only in accordance with the provisions of the Deferred Compensation Plan(s), which specifically prohibits any payouts as long as I continue in employment with the State except in the case of severe financial hardship as determined by the Plan Administrator or only if deferred to the 401(k) plan at age 59½. Financial hardships are defined differently for the 457 plan and the 401(k) plan by law.

This Agreement shall continue in effect until terminated. Either I or my Employer may terminate this Agreement with respect to amounts not yet earned by me by informing the other party in writing. I understand that the Employer will reduce my salary pursuant to the terms of this Agreement by the amount I have elected to defer in each pay period to the extent that my net pay will allow.

I understand that if I fail to select a pre-tax or after-tax deferral, the choice will default to pre-tax.

In consideration of Employer’s compliance with the terms of this Agreement, I agree to hold Employer, its members, officers, agents, employees, successors and assigns harmless from and against any and all liability whatsoever arising out of or in connection with this Agreement, including but not limited to any costs or tax penalties that I may incur as a result of or in connection with the authorization and direction given by me in this Agreement. In addition, the State shall not be responsible for any loss due to investment of funds and assets in said Deferred Compensation Plan account, nor shall the State of Tennessee be required to replace any loss whatsoever which may result from said investments.