

SYSTEM REGULATION

31.02.10 Tax-Deferred Account (TDA) Program

Approved December 19, 1995

Revised May 29, 1997

Revised December 6, 1999

Revised September 3, 2002

Supplements System Policy 31.02

1. GENERAL

- 1.1 The System provides all employees who report personal income for federal income tax purposes the opportunity to participate in a Tax-Deferred Account (TDA) Program as authorized by Section 403(b) of the Internal Revenue Code. TDAs permit employees to defer to later periods the payment of federal income taxes on a portion of their income. There is no matching contribution from the System under this program.
- 1.2 Enrollment in the program is solely at the discretion of each employee. The System assumes no liability or responsibility for the income tax aspects of the TDA Program, the terms and provisions of any contract issued thereunder, monitoring the financial stability of carriers, or the market condition of the participants' investments. System human resources and payroll workstation employees are specifically prohibited from counseling other employees in vendor selection and other aspects of the TDA Program.

2. PARTICIPATION

- 2.1 Employees must execute [salary reduction agreements](#) with their payroll offices on a prospective basis to participate in a TDA. The maximum amount of salary that can be tax deferred each tax year is established by Internal Revenue Code Sections 402(g), 403(b), 415(c)(1)(A) and 415(c)(1)(B). Employees may obtain [worksheets](#) to assist in determining this maximum amount from their vendors, their payroll or human resources offices, the System Human Resources Office or on the [System Human Resources Website](#). The System reserves the right to discontinue or alter an employee's TDA contributions as necessary.
- 2.2 An employee may change contribution levels or vendors once a month by completing a new salary reduction agreement.
- 2.3 An employee may terminate a salary reduction agreement by providing written notification to his or her payroll office in advance of the requested termination date.

3. ADMINISTRATION

- 3.1 Administration of the TDA Program is the responsibility of the System Human Resources Office.
- 3.2 A [list of authorized TDA vendors](#) who comply with the "Vendor Specifications for the Tax-Deferred Account Program" is published and distributed by the System Human Resources Office. Employees may select vendors to administer their TDAs from the list of authorized vendors.

CONTACT OFFICE: The System Human Resources Office

HISTORY: Last version: December 6, 1999

[Section 31 Rules](#)