



Tax-Deferred 403(b) Investment Plan (TDI) Guide-2010

When considering your financial future, there are many issues you'll want to consider. This guide will help walk you through these issues.

All OUS employees and OSU Clinical Interns. Students are not eligible.

Disclaimer – Please read carefully

This material is intended to assist in the administration of the plan. If it conflicts with any formal plan documentation (including, but not limited to, the Plan Document), the formal plan documentation prevails.

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Introduction

The Tax-Deferred 403(b) Investment (TDI) Plan allows you, on a voluntary basis, to accumulate savings to supplement your employer retirement plan (OPSRP/PERS or the Optional Retirement Plan) and Social Security through your choice of annuities and mutual funds. Authority to offer the TDI is granted by the state of Oregon under ORS 243.820 -.830 and Section 403(b) of the Internal Revenue Code.

All OUS employees and OSU clinical interns are eligible to participate in the TDI plan. This includes full- and part- time employees. Student employees may not participate in this plan.

This TDI Guide is a general overview of the Tax Deferred 403(b) Investment Plan. It is not intended to be an exhaustive study of investments, nor does it provide investment or tax advice. The TDI Guide does not recommend that you participate in the TDI plan. The decision to participate and selection of investment vehicles belongs to each participant, based on factors personal to the participant. In case of conflict between the TDI Guide, official plan documents, and federal and state laws regulating IRC 403(b) plans, the official plan documents and laws govern.

Notes to Participants

The TDI Guide describes the Tax-Deferred Investment 403(b) Plan in general terms applicable to IRC 403(b) plans, and provides basic information you need to participate in the Tax-Deferred Investment 403(b) Plan.

This TDI Guide relies on Treasury and IRS regulations, but does not outline all of the requirements of these regulations. OUS is not responsible for points not covered. OUS maintains the right to amend or discontinue the Tax-Deferred Investment 403(b) Plan to comply with regulations or changes in the law or policy or to improve performance or operation of the plan.

OUS is not responsible in any way for an employee's choice to participate in the plan or an employee's choices once in the plan.

Occasionally, TDI participants have problems with the companies handling their accounts. These situations are rare, but if you experience any problems you should resolve them with the provider's representative. If the problem cannot be resolved in this way, contact your campus benefits office.

If you have additional questions about the Tax-Deferred Investment 403(b) Plan, contact your campus benefits office.

For information on investments or tax implications of participating in the TDI plan, consult a financial or tax adviser.



Tax-Deferred Investment Plan – TDI 403(b)

TDI at a Glance

Provision	
Eligibility	All OUS employees and OSU Clinical Interns. Students are not eligible.
Waiting Period	None. Eligible employees may enroll any time.
Investments	Mutual funds and annuities
Enrollment Changes	<ul style="list-style-type: none"> • Enroll prior to 10th day of the month contributions begin • Permitted any month of the year • Both a Salary Reduction Agreement (SRA) form and TDI provider's application are required to complete enrollment • Enrollment is restricted to one provider/program at a time • Contribution, as a percent of pay, may be changed throughout the year • SRA must be received by 10th of change month • Provider/program may be changed once per calendar year
Stopping Contribution	SRA must be received by 10th of month to terminate contributions
Pre-Tax Contributions	<ul style="list-style-type: none"> • Voluntary salary deferral, non-taxable as income in the year deferred • Not reported as W-2 wages, except for FUTA, Medicare, Social Security • Taxed as ordinary income when account distribution received • Earnings plus contributions taxable to participant when distributed
Roth Post-Tax Account	<ul style="list-style-type: none"> • Available through TDI:ous and TDI:tiaa-cref • Taxed as ordinary income when contributed • Earnings are not taxed when received as a qualified distribution
PERS/ORP Contributions	Not reduced by TDI contributions
Annual Maximum Contribution (2010)	<ul style="list-style-type: none"> • General Limit: \$16,500 • Age 50+ Catch-Up: \$5,500
Minimum Contribution	At least \$25.00 per month, as a whole percent of pay (1%, 2%...10%)
Distributions	<ul style="list-style-type: none"> • Allowed at service separation, death, or age 59½ • 10% early withdrawal penalty before age 59½ or age 55 retirement • Minimum distribution required after age 70½ or post-70½ retirement
Loans	Generally , one (1) loan per year, up to aggregated limit for all plans and dependant on provider guidelines.
Hardship Withdrawals	Withdrawals permitted, with 6 month's suspension of contributions to 403(b) and 457 plans
In-Service Withdrawals	Withdrawals permitted after age 59½
Rollovers	Permitted from and to PERS, qualified IRAs, 401(a), 403(b), and 457 plans, subject to approval of receiving plans.
Account consolidation	Transfers from discontinued TDI Companies are permitted to TDI:tiaa-cref; TDI:ous, TDI:valic. No transfers or contract exchanges are permitted to discontinued TDI Companies.
Providers	TDI:ous is offered through Fidelity Investments TDI:tiaa-cref is offered by TIAA-CREF



Section 1- TDI - Roles and Responsibilities

OUS' Role as Sponsor of the TDI Plan

OUS' role in the TDI plan is to send your payroll deduction contribution to a provider approved for participation in the Tax-Deferred Investment 403(b) Plan.

The university system will:

- Deduct monies from your paycheck, based on your Salary Reduction Agreement (SRA) instructions
- Forward your contribution to the TDI provider/program you designate
- Select providers to provide administration services and a choice of investments
- Provide plan forms, documents, employee guides, and direct access to providers' services
- Select and monitor core investments available in the TDI:ous program
- Approve loans, hardship withdrawal and other distribution requests as received from Providers.

OUS' role does not include:

- Recommending participation in the TDI plan
- Advising employees about investments or the tax consequences of their investing decisions

Participant's Responsibilities

The TDI plan allows you to exercise direction in your investments, and requires that you, as a participant, be solely responsible to:

- Decide whether to participate in the TDI plan
- Decide which investment options to use, and how much to invest
- Research and understand the provisions of investments you select
- Understand the tax impacts of investing through this plan
- Correctly execute enrollment and change procedures
- Request loans, hardship withdrawal and other distributions from Providers.

TDI Providers' Responsibilities

TDI providers approved to offer investments through the TDI plan agree to abide by OUS guidelines on campus solicitation, errors and omissions insurance of agents representing them, and compliance with federal and state regulations applicable to IRC 403(b) plans.



Section 2 - TDI Provisions

The TDI plan offers, generally, the features of a 403(b) plan, as described below.

Where the TDI Guide varies from Internal Revenue Code, state and federal tax laws, participant contracts, or plan documents, those documents prevail. Provisions noted in this guide are subject to change to comply with law and as directed by the Oregon State Board of Higher Education.

Tax Treatment

OUS and its employees cannot advise you about the tax treatment of your TDI account. This guide states only general rules, and tax rules are subject to periodic changes. For reliable tax information you should consult your tax advisor.

The income you contribute as TDI contributions is subject to Social Security and Medicare taxes (FICA). Those taxes are withheld on your full compensation, before your payroll deduction to the TDI Plan is made. Therefore, participation in the TDI plan will not affect your Social Security or Medicare benefits.

No Effect on ORP or PERS/OPSRP Contributions

Participation in the TDI Plan does not affect your retirement benefits from other retirement plans, including the OUS Optional Retirement Plan and PERS/OPSRP. These retirement plans calculate your benefits using your gross income, which includes your tax-deferred contributions to TDI investments. Your TDI participation does not limit your participation or deferrals to the voluntary Oregon Savings Growth Plan through PERS.

“Saver’s Credit”

for Mid-to-Low Income Investors

TDI participants with income less than \$27,750 or \$55,000 for joint filers in 2010 may be eligible for a tax credit. The Savers Credit provides up to a \$1,000 tax credit for middle to low income participants using an employer’s retirement savings plan. This credit is in addition to the tax deferral advantage provided by the TDI plan . The income limits are indexed for inflation. If you may qualify for the credit, information is available through any tax counselor, your TDI investment provider, or the Internal Revenue Service.

Elective Contribution Limits

Internal Revenue Code (IRC) places limits on the amount you may invest through the TDI plan on a tax-deferred basis. Maximum contribution limits are based on your includable compensation, which is your gross pay during a calendar year.

Generally, your maximum contribution in any tax year is limited to the lesser of:

- a limit on your maximum elective contributions (General Limit plus Age 50 Catch-up)
- a limit on the total contributions you may make annually to all 403(b) contracts you hold (402(g) Limit)



Employee's Elective Contribution Limits

Participants are responsible for verifying their maximum permissible contributions annually. If the total you contribute in a tax year exceeds the limits contained in IRC 402(g) and other tax law related to this IRC 403(b) plan, you must include the excess in your gross income for that year for tax purposes.

The maximum allowed elective contribution (salary reduction amount) is periodically adjusted for cost of living by the IRS, and you should check annually for the new limits that are generally announced in the last month of each calendar year.

General Limit (IRC 402(g)) Year: 2010 Maximum Contribution: \$16,500

Age 50-Plus Catch-Up Election (IRC 414(v)) Year: 2010 Age 50-Plus Contribution: \$5,500

Individuals age 50 and older who already made the maximum allowable contribution under the general limit in the tax year may make an additional pre-tax catch-up contribution. The maximum catch-up contribution is the lesser of the participant's compensation, less any other elective contributions for the year, or the dollar amounts shown below.

The General Limit applies to your total pre-tax and post-tax (Roth) voluntary contributions. If you request an additional Age 50-Plus Catch-up, the additional contribution amount may be made on a combined pre- and post-tax (Roth) basis. This means that your pre-tax and Roth post-tax contributions, combined, may equal but may not exceed the general 402(g) and age 50 414(v) limits described above.

Monitor Total Contributions to Avoid Tax Penalties

If you contribute any amount in excess of the described Internal Revenue Code limits, you are responsible for taxes and penalties on the excess amount. OUS strongly suggests that you work with a tax consultant if you plan to maximize your contributions to the extent that they begin to approach any of the described limits.



Roth Post-Tax Account

Post-tax “Roth” accounts are available through the TDI:ous (Fidelity) program and TDI:tiaa-cref program in 2009. Monthly contributions may be split between your Regular and Roth 403(b) accounts. Because each person’s situation is different and the rules are complex, you should talk to a tax advisor to determine if a regular 403(b) or a Roth 403(b) account is best for you.

Regular 403(b) contributions go into your TDI account on a pre-tax basis. You do not pay state and federal income tax on that income when you earn it. Your W-2 does not include it. You do pay Social Security taxes on it. Imagine that you earn \$30,000 a year, and you put 5% of your wage or \$1,500 into the Plan. Your W-2 lists income of \$28,500. You pay income tax on \$28,500, if any tax is due. You pay Social Security tax on \$30,000. The funds that you put in a Regular 403(b) account are invested and grow tax deferred. That means you do not pay tax as the funds grow. When you take funds out, you pay tax on them. Those funds may increase tax on Social Security benefits.

How does a Roth 403(b) account work?

When you make Roth 403(b) contributions, that part of your income goes into the Roth 403(b) account on an after-tax basis. You pay state and federal income tax on income you contribute in the year that you earn it. Your W-2 includes it. You pay Social Security taxes on it. The income that you put in a Roth 403(b) account is invested and grows tax-free. You can take the earnings from your Roth 403(b) account tax-free when the distribution is “qualified.” To be qualified, the distribution must not occur until after expiration of a five-year “seasoning” period. The five-year period begins in the calendar year in which you first make a Roth 403(b) contribution, and ends at the end of the calendar year five years later. In addition, the distribution would become qualified after you reach age 59½ or die. For example, if you first make a Roth 403(b) contribution on October 31, 2007, your five-year participation period ends on December 31, 2011, and you can receive a qualified distribution from your Roth 403(b) account after that date. Your five-year clock starts running when you make your first Roth 403(b) contribution to the TDI Plan or to a Roth 403(b) account under any other employer’s 403(b) plan that you roll over into the TDI Plan. You do not need to make a Roth 403(b) contribution during the following years for the clock to continue. A qualified distribution does not increase your taxes on Social Security benefits.

If a distribution from your Roth 403(b) account is not a qualified distribution, earnings from that account will be taxable to you upon distribution unless you roll over the distribution to a Roth IRA or another plan that will accept the rollover. In some cases there is a 10% excise tax on the distributed earnings.

Are Roth 403(b) contributions in addition to Regular 403(b) contributions?

No. You may not contribute more funds than the 403(b) deferral limits in a calendar year. Both Roth 403(b) contributions and regular 403(b) contributions count against those limits.

What are the main benefits of a Roth 403(b)?

At retirement, if you have both a Roth 403(b) account and a regular 403(b) account, you may choose whether to withdraw tax-free funds from the Roth 403(b) account or taxable funds from the regular 403(b) account.



Whether you pay tax depends on many things, including the tax rates in any year. Putting money in a Regular 403(b) account may lower your taxable income now. That may allow you to use various state and federal tax deductions or credits to increase your tax refund. However, if you owe no tax now, or very little tax, Roth 403(b) contributions may be preferable. You pay low tax on the funds when you put the money in the Plan, and the money you withdraw from your Roth 403(b) account later is tax-free if the Roth is qualified. Those tax-free funds do not increase tax on any Social Security benefits you receive, so you keep more of those benefits.

Finally, if you roll a Roth 403(b) account into a Roth IRA, you can avoid the age 70½ minimum distribution rules. You can keep the Roth IRA for heirs as an income tax-free legacy if the five-year participation period is met. You do this by using the higher contribution limits of the Roth 403(b) while you are working, roll the account over to a Roth IRA when you retire, and let the balance grow tax-free until you die. If your spouse inherits the Roth IRA, your spouse can name heirs as beneficiaries and continue to let the money grow tax-free until your spouse dies. Thus, compounded tax-free growth could continue for a long time. You should seek estate tax advice to address estate tax concerns.

Are Roth 403(b) contributions treated differently than Regular 403(b) contributions?

Generally, no. Once you make an elective contribution of either type to the Plan, it will generally be treated the same for all purposes under the Plan. However, in addition to any other restrictions that apply to all elective contributions, the Plan does not permit hardship withdrawal of assets in your Roth 403(b) account.

Additional information about the 403(b) Roth account is available on the Internal Revenue Service website at

<http://www.irs.gov/retirement/article/0,,id=152956,00.html#distns>

Distributions

When you leave OUS employment, the money in your TDI account(s) can be handled in various ways.

Depending on your circumstances at the time you leave, your TDI contract and current IRS regulations, some of the options that may be available are the following:

- You may begin to receive annuity benefits or withdraw your account balance. A 10% penalty tax is applied to distributions taken before age 59½. If you *retire* at or after age 55, however, you may take a penalty-free distribution.
- You may leave funds in your account.
- You may roll TDI money into an IRA, or another 401(a) or 457 plan, subject to approval by those plans.
- If you become employed by another organization with a 403(b) plan, you may be able to rollover your money to that plan, subject to approval by the receiving plan(s).

Your tax or financial adviser will be able to help you determine the best option for your personal circumstances. For information about rollovers to other plans, contact the receiving provider first to verify that a rollover will be accepted.



Changing Contributions

Your Salary Reduction Agreement (SRA) may be changed at any time of the year. Just one TDI provider at a time may receive contributions – split contributions are not permitted. Only one SRA may be in effect at any time, and the most recent SRA replaces all prior instructions to OUS.

Changing TDI Providers

You may change your TDI provider once each calendar year. Your Salary Reduction Agreement (SRA) may be changed at any time of the year. There are no open enrollment periods. No more than one SRA may be in effect at any one time, and the most recent SRA replaces all prior instructions to OUS.

When Changes Become Effective

All Salary Reduction Agreement (SRA) forms must be received by your campus benefits office by the 10th of the month in which you wish to begin, change, or cancel participation in the plan. Forms received after the 10th of the month will be effective the following month. Check your earnings statement to verify when your changes have been completed.

Increase or Decrease the Amount of Your Salary Reduction(SRA)

1. Your salary reduction amount can be designated only as a whole percent of pay; for example, 4% of your monthly gross pay. The SRA form is available on the [web](#), through the TDI provider's dedicated websites, or from your campus benefits office.
2. Read SRA instructions, examples and information available in Section 8 of this guide.
3. Complete the SRA and keep a copy for your records.
4. Send the new SRA to your campus benefits office at the address on the SRA.
 - In months that you receive no pay, there is no contribution.
 - When your pay increases through a job change or salary increase, your contribution increases proportionately, until you submit a new SRA.



Change your TDI Provider

1. Contact the TDI Provider you wish to use in the future to request an enrollment kit, or to enroll online. [Providers' contact information is in the TDI Plan Highlights.](#)
2. Enroll online or complete an application to set up your account with the provider.
3. Complete a new [SRA](#) to indicate your new TDI provider and the percent of pay you wish to invest. Keep a copy of the SRA for your records, and send the original to your campus benefits office.
4. The name of the new TDI provider will be shown on your earnings statement in the month the change is effective.

If you do not set up an account before the new TDI provider receives your payroll contribution, the provider will handle your contribution as follows:

- **TDI:ous** - contributions will be invested in an age-appropriate lifecycle fund until you provide new investment directions through Fidelity Investments.
- **TDI:tiaa-cref** - contributions will be invested in the CREF Money Market Account until you provide new investment directions to TIAA-CREF.
- **TDI:valic** - contributions will be invested in a Money Market fund until you provide new investment directions to VALIC.



Stop Your Contributions

You may terminate participation in the TDI plan in any month. Termination does not mean withdrawal of funds, but stops your future contributions. If you stop participating in the TDI plan, you may begin again in any future month that you are eligible.

1. Complete the SRA and enter 0 for your deferral percentage in section C.
2. Keep a copy of the SRA for your personal records.
3. Send the signed, completed SRA to your campus benefits office.

Loans

One loan, subject to IRS loan limits, per calendar year is permitted. A participant requesting a loan is required to disclose all other outstanding loans against retirement plan accounts held by the employer. This includes 403(b) accounts with discontinued providers that were established by November 2007 including loans from the OUS Optional Retirement 401(a) Plan, and PERS' Oregon Savings Growth (IRC 457) Plan. Providers will provide loan terms and forms on your request, and will forward your loan request for approval by OUS.

Generally, loans may not exceed \$50,000 or 50% of your available account balance. The minimum loan amount is \$1,000. Roth account assets are available for purposes of loans.

Rollovers

Rollovers to the Oregon Savings Growth Plan (IRC 457 plan), the Optional Retirement Plan (IRC 401(a) plan), and qualified IRAs are permitted when you leave OUS, subject to approval by the receiving plans. Rollovers from the TDI plan are permitted after severance of employment or attainment of age 59½.

Rollovers from qualified IRAs, 401(a), 403(b), and 457 plans to the TDI plan are permitted. Participants, spouse beneficiaries, non-spouse beneficiaries and alternate payees receiving distributions from 403(b) and 457 plans, and qualified IRAs under Domestic Relations Orders (QDROs) may roll over funds to the TDI.

Hardship Withdrawals

Hardship withdrawals are permitted to meet an immediate and heavy financial need, if a distribution is necessary to satisfy the financial need. An IRS safe harbor list of specific needs and distribution criteria generally apply. Assets in a Roth account are not available for hardship withdrawal. Contact your provider for additional information, and a hardship withdrawal form. Your provider will forward your request to OUS for approval.

Minimum Distributions

Annual distributions must begin April 1 of the calendar year following the year in which you achieve age 70½ or retire after age 70½. Penalties are applied if you do not begin your distribution according to these rules.



Section 3 - TDI Providers and Investment Options

TDI providers offer three different investments-plus-services programs to OUS employees.

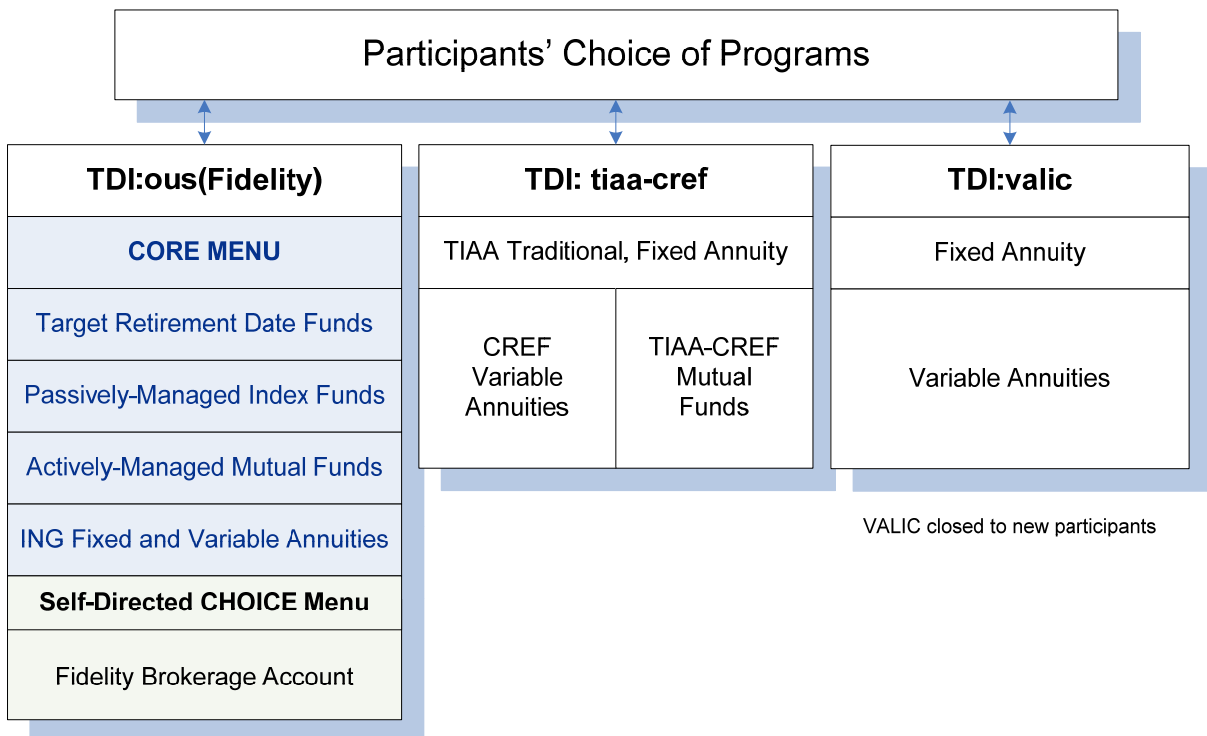
Participants may change TDI providers one time each calendar year for

- 1) new contributions and
- 2) transfer of the participant's account balance.

These changes may be requested separately.

Participants may select one TDI provider at any one time:

TDI 403(b) PLAN DESIGN



TDI:ous (through Fidelity Investments)

TDI:ous offers a custom-constructed investment menu to suit a wide range of investor preferences, including:

- “Lifecycle” target retirement date mutual funds designed for “hands off” investors
- A core investment menu of mutual funds spanning a broad range of asset classes
- Fixed and variable annuities
- A brokerage account for investors who want maximum flexibility and accept full personal responsibility for the performance and costs associated with a wide array of mutual funds available as an additional choice.
- A post-tax “Roth” account for tax-advantaged investment earnings.

TDI:ous is administered by Fidelity Investments. Fidelity Investments has been a provider to the Tax-Deferred Investment 403(b) Plan since 1992. As recordkeeper to the TDI:ous, Fidelity provides account administration, participant education and retirement consultations. Fidelity is the largest mutual fund firm in the United States, with \$1.4 trillion in managed assets (as of 10/31/09), offering investment management, retirement planning, brokerage services, and state-of-the art services technology.

TDI:ous (Fidelity) offers an advised core investment menu of mutual funds, including lifecycle funds, passively managed index funds, actively managed funds for each of the nine Morningstar asset classes, and an array of ING fixed and variable annuities. Investments on the core menu are monitored for performance and fees by an investment advisor and committee, and may be changed from time to time as needed to meet the investment policy of the plan. Each investment bears different expenses for not only investment management, but also recordkeeping and participant education and services. In this program, OUS has negotiated a low recordkeeping cost in order to provide significant funding for state of the art participant services, education and retirement advising. Participant education and advising is available online, by phone, or through individual meetings with retirement counselors.

For more information about TDI:ous, call Fidelity Investments at 1-800-343-0860, or visit <http://www.mysavingsatwork.com/ous>.

See the TDI Plan Highlights at the end of this guide, and the “OUS Performance Sheet” in the ‘Plan News and Resources’ section on the web for more information about investments available through the TDI:ous program.



TDI:tiaa-cref

TDI:tiaa-cref offers a selection of a guaranteed annuity (TIAA Traditional), variable annuities, and mutual funds. Beginning in 2009, a Roth account will be available.

TIAA-CREF has served the OUS Tax-Deferred Investment 403(b) Plan since 1992. Investments and services are directly through TIAA-CREF.. TDI:tiaa-cref offers a combination of mutual funds, plus fixed and variable annuities. A short list of mutual funds supplements the long-established CREF variable annuities, the TIAA Traditional (fixed annuity), and TIAA real estate investment. The choice of mutual fund and annuity products allows a participant to diversify investments across a spectrum of investment performance and expenses. Participant education and advising is available online, by phone, or through individual meetings with retirement counselors.

TIAA-CREF (Teachers Insurance and Annuity Association – College Retirement Equities Fund). With \$404 billion under management (as of 9/30/09), TIAA-CREF has served employees in the medical research, academic, and cultural communities for nearly 90 years. TIAA-CREF offers a wide range of products and services through non-commissioned consultants. TIAA-CREF offers fixed and variable annuities, including a guaranteed interest account, a real estate account, a socially responsible balanced account, four equity, and three fixed income accounts, as well as mutual funds representative of major asset classes.

For more information about TDI:tiaa-cref, call TIAA-CREF at 1-800-842-2776 or visit <http://www.tiaa-cref.org/ous/>.

See the TDI Plan Highlights at the end of this guide and “Investment Choices” on the first page on the website for more information about investments available through the TDI:tiaa-cref program.



TDI: valic*

VALIC has been a provider to the OUS Tax-Deferred Investment 403(b) Plan since 1992.

TDI: valic offers variable and fixed annuity investments to participants who have been enrolled since October 10, 2007. Participant education and advising is available online, by phone, or through individual meetings with retirement counselors.

VALIC, a member of American International Group, Inc. (AIG) comprises a national team of nearly 2,000 financial advisors and financial planners who, while offering a wide array of investment products and services, provide personal face-to-face service. With nearly \$63 billion in assets under management, VALIC manages long-term investment programs for nearly 26,000 education, healthcare, public sector, and other organizations representing more than two million investors. The company offers three fixed and 60 variable investment options managed by various well-known fund families.

For more information about TDI: valic, call VALIC at 1-800-448-2542 or visit <http://www.VALIC.com>.

See the TDI Plan Highlights at the end of this guide for a sample of investments that are available through TDI: valic.

***TDI: valic is not available to new participants after October 10, 2007.**



Section 4 - Managing Your Account

The performance and goals of the investment products you initially select and your personal circumstances may change over time. When considering a vehicle for your retirement savings, think forward to the day you want to transfer or withdraw your investments. Ask questions about moving your money before you invest.

Consolidating Your Account to a Current TDI Provider

Beginning January 1, 2009, all movement of account balances is subject to change of investment rules of the IRS and the TDI plan. Transfer of full or partial account balances between TDI:ous, TDI:tiaa-cref, and TDI:valic may be requested once per calendar year.

Current providers TIAA-CREF, Fidelity, and VALIC may accept transferred account balances from any of the discontinued companies listed in the 'Discontinued Providers' section of this document ([section 6](#)). There is no limit on the number of transfers for account consolidation from discontinued companies to the current providers. Accounts may not, however, be transferred to or among the discontinued companies.

When transferring funds from a current or discontinued TDI provider to a current TDI provider, keep in mind the following:

- INQUIRE if there will be any restrictions or fees involved. Some providers charge fees when you transfer your account.
- There are no federal tax consequences to most transfers as long as you follow prescribed procedures. Check with both the "sending" and "receiving" provider about their procedures. In this matter, and any other matter relating to taxes, you should consult a tax adviser as well.
- Determine if all or only a portion of your account may be moved at one time. Some funds restrict transfers to a certain percent per year.
- Transfers to and from insurance and mutual fund companies outside the OUS TDI plan may be made as eligible rollover distributions at separation from employment or other distribution event



Exchanges Within your Provider's Investment Menu

Each provider has its own rules for exchanging money among different investment vehicles within its own investment menu. Sometimes, fees are charged, for instance, as surrender charges when assets are withdrawn within a certain period of time. Exchanges may be restricted by frequent trading policies of the funds or provider. You can determine the exchange rules for each investment option before you invest in it by reading the provider's materials or by asking the provider's representative or customer services center.

Among the questions you may wish to ask are the following:

- What is the procedure for exchanging money from one investment option to another?
- How often may I exchange among investment options?
- Do exchanges involve any fees?
- Are there limits on the amount I may exchange at one time?

Withdrawals

Carefully review the provider's withdrawal provisions before selecting your investments. Discuss the tax consequences of withdrawing funds with your tax adviser if you are unsure what effect a withdrawal would have on your tax status. Generally, withdrawals before age 59½ are assessed a 20% income tax withholding and a 10% early withdrawal penalty. Exceptions to the 10% penalty exist for withdrawals due to disability, medical expenses, alternate payees and beneficiaries, and retirement at age 55, among other reasons. Withdrawals from a Roth account may be subject to taxes on any earnings if the account is less than 5 years old.

Among the questions you might ask are:

- What are the early withdrawal restrictions? When do these restrictions expire?
- If I am allowed to withdraw my money, will there be a penalty or fees?
- What withdrawal options are available to a participant upon retirement?



Section 5 - Enrollment

Establishing your TDI account is a two-part process.

Tell your campus benefits office to take a salary deduction by completing a Salary Reduction Agreement (SRA) (available online at <http://www.ous.edu/SRA.html> on at your institution's benefits office).

Apply for an account online through the website listed on the TDI Plan Highlights, or request an enrollment kit from your selected TDI Provider.

Section 6 - Managing Your Account Established Before November 2007

If you participated in the TDI plan before November 2007, you may have assets in accounts held by insurance or mutual fund companies previously authorized to provide investments under the TDI plan. Those assets may remain in the account(s) you established previously. Your investments continue to participate in the earnings and losses of the funds you selected, and the terms of your annuity contract or custodial agreement apply.

Although no new contributions will be made to these companies by OUS, your relationship with them continues. Any account management questions should be referred to your prior company's representative who is familiar with the terms of your individual contract. In addition, your prior company will be required to work with you and OUS for approval of distributions, loans, or hardship distributions. Your contract's compliance with federal treasury regulations, and your tax-advantaged savings, may be affected by your company's active cooperation with the OUS and the TDI Plan. You and your company are responsible to confirm that your account remains in compliance with IRC 403(b).



Discontinued TDI Providers

Companies No Longer Receiving Contributions

The following TDI companies received payroll contributions through October 2007. After that date, no new OUS contributions were sent to these providers, although participants' account balances may remain with them.

Ameriprise

(American Express Financial Advisors)

ameriprise.com

(541) 757-7102

Fidelity Investments

(Individual accounts)

fidelity.com

(800) 343-0860

First Investors' Corporation

firstinvestors.com

(800) 394-6620

ING AETNA Life Insurance and Annuity Company

ingretirementplans.com

(800) 835-9966

ING Retirement Plans

(Northern Life Insurance Company)

www.net401k.com

(877) 884-5050

Lincoln National/Lincoln Cascades

www.lfg.com

(800) 348-1212

Metlife

(Travelers' Insurance /Copeland Companies)

www.metlife.com

(310) 787-1300

Nationwide Life Insurance Company

nationwide.com

(800) 848-6331

New York Life and Annuity Company

www.newyorklife.com

(800) 637-9196

SAFECO/Symetra

www.symetra.com

(800) 796-3872

Standard Insurance Company (Oregon)

standard.com

(800) 368-7505

The American Funds/Edward D. Jones

www.americanfunds.com

(800) 441-7291

The Calvert Funds

calvert.com

(800) 368-2745

The Scudder Funds

www.dws-investments.com

(800) 537-1036

Waddell & Reed, Inc

waddell.com

(800) 683-5575



Section 7 - Resources and Contact Information

For Information On	Call	Visit Online
TDI:ous (Fidelity)	800.343.0860	http://www.mysavingsatwork.com/ous
TDI:tiaa-cref	800.842.2888	http://tiaa-cref.org/ous/
TDI:valic	866.211.9866	www.valic.com/

Campus Benefits Offices

Contact your Benefits Office for general information about the Tax-Deferred Investment 403(b) Plan and enrollment materials.

Eastern Oregon University	(541) 962-3033
Oregon State University	(541) 737-8254
Oregon Institute of Technology	(541) 885-1028
Portland State University	(503) 725-4926
Southern Oregon University	(541) 552-6167
University of Oregon	(541) 346-2967
Western Oregon University	(503) 838-8139

OUS / Plan Resources

See [Retirement Plans News and Information](#) on the OUS website for announcements and news related to the Plan and providers/vendors serving the Plan.

Important Note About Americans with Disabilities Act

In accordance with the *Americans with Disabilities Act*, if you need an accommodation to attend any employee meetings, or if you need to receive this booklet in an alternative form, please contact your campus benefits office.



Section 8 - Salary Reduction Agreement – Instructions and Acknowledgements

Salary Reduction Agreement — TDI 403(b)

INSTRUCTIONS

A) Fill in your personal information to assist us in processing your form. This information also allows us to contact you if we require any additional information.

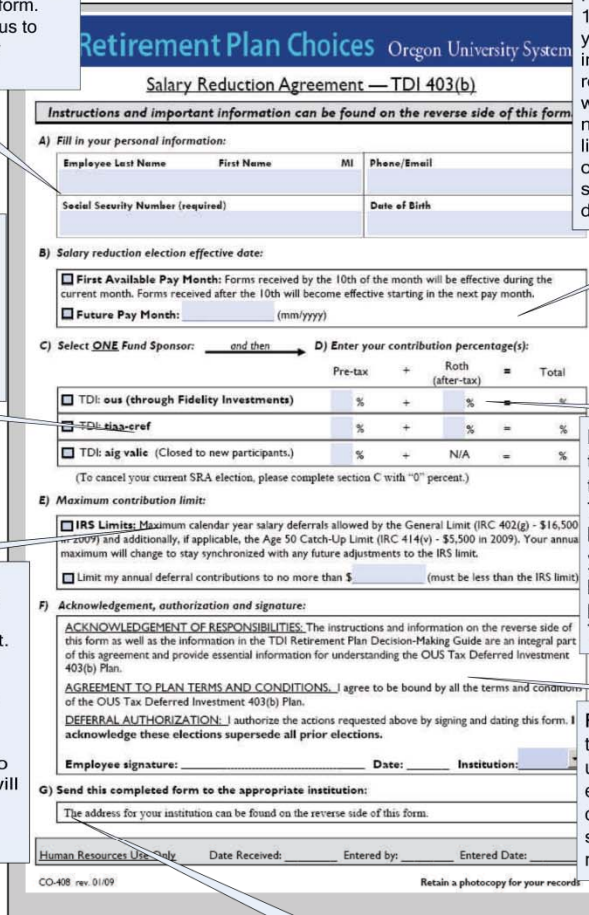
C) Pick one (and only one) Fund Sponsor. Please make sure that you have an account established with your selected Sponsor so that they have your investment selections and beneficiary elections on file.

E) If you did not check the IRS limit box, you will need to indicate a maximum annual contribution amount. This election acts as an upper-level limit to your contributions, and will only be applied if your deferral percentage would cause your annual contributions to exceed this amount. This will act as a limit on all future contributions until a new SRA is submitted.

B) Completed SRAs must be submitted to the appropriate Human Resource office prior to the 10th of each month in order for your elections to become effective in the current month. SRAs that are received after the 10th of the month will become effective during the next month's payroll. If you would like this SRA to become effective on a future date, please use the second checkbox to indicate that date.

D) Select the percentage of your pay that you would like to be contributed to the Fund Sponsor (section C). This must be a whole percentage between 1 and 85. NOTE: To cancel your SRA, please indicate "0" percentage. Your Pre-tax deferrals plus your Roth deferrals equal your Total deferrals.

F) Please sign and date section F to acknowledge that you understand the instructions and elections being made through completion of this form. Your signature, date and institution are mandatory fields.



Retirement Plan Choices Oregon University System
Salary Reduction Agreement — TDI 403(b)
 Instructions and important information can be found on the reverse side of this form.

A) Fill in your personal information:

Employee Last Name	First Name	MI	Phone/Email
Social Security Number (required)		Date of Birth	

B) Salary reduction election effective date:

First Available Pay Month: Forms received by the 10th of the month will be effective during the current month. Forms received after the 10th will become effective starting in the next pay month.

Future Pay Month: (mm/yyyy)

C) Select ONE Fund Sponsor: _____ **and then** **D) Enter your contribution percentage(s):**

	Pre-tax	+	Roth (after-tax)	=	Total
<input type="checkbox"/> TDI: OUS (through Fidelity Investments)	%	+	%	=	%
<input type="checkbox"/> TDI: Vanguard	%	+	%	=	%
<input type="checkbox"/> TDI: Vanguard (Closed to new participants.)	%	+	N/A	=	%

(To cancel your current SRA election, please complete section C with "0" percent.)

E) Maximum contribution limit:

IRS Limits: Maximum calendar year salary deferrals allowed by the General Limit (IRC 402(g) - \$16,500 in 2009) and additionally, if applicable, the Age 50 Catch-Up Limit (IRC 414(v) - \$5,500 in 2009). Your annual maximum will change to stay synchronized with any future adjustments to the IRS limit.

Limit my annual deferral contributions to no more than \$_____ (must be less than the IRS limit)

F) Acknowledgement, authorization and signature:

ACKNOWLEDGEMENT OF RESPONSIBILITIES: The instructions and information on the reverse side of this form as well as the information in the TDI Retirement Plan Decision-Making Guide are an integral part of this agreement and provide essential information for understanding the OUS Tax Deferred Investment 403(b) Plan.

AGREEMENT TO PLAN TERMS AND CONDITIONS: I agree to be bound by all the terms and conditions of the OUS Tax Deferred Investment 403(b) Plan.

DEFERRAL AUTHORIZATION: I authorize the actions requested above by signing and dating this form. I acknowledge these elections supersede all prior elections.

Employee signature: _____ Date: _____ Institution: _____

G) Send this completed form to the appropriate institution:

The address for your institution can be found on the reverse side of this form.

Human Resources Use Only Date Received: _____ Entered by: _____ Entered Date: _____

CO-408 rev. 01/09 Retain a photocopy for your records

G) Please return this form to the appropriate Human Resources office as indicated in the chart to the right. If you have any questions, please contact your campus benefits office. Also, keep a copy of this form for your records.

Institution	Drop-off Location	Mailing Address	City, State Zip-Code
EOU	Inlow Hall, Room 209	One University Blvd	La Grande, OR 97850
OIT	Snell Hall 109	3201 Campus Dr	Klamath Falls, OR 97601
OUS	to OSU Human Resources	(below)	
OSU	204 Kerr Admin Bldg	122 Kerr Admin Bldg	Corvallis, OR 97331-2132
PSU	1600 SW 4th Avenue, STE 518	PO Box 751	Portland, OR 97207
SOU	Churchill 110	1250 Siskiyou Blvd	Ashland, OR 97520
UO	463 Oregon Hall	5210 University of Oregon	Eugene, OR 97403
WOU	Admin. 206	345 N Monmouth Ave	Monmouth, OR 97361

Additional Instructions, Examples and Acknowledgements (2010)

(form CO-408 rev 1/10)

YOUR ANNUAL SALARY DEFERRAL LIMIT: (a) General Limit—\$16,500 for 2010; (b) Age 50 Catch-up Limit (\$5,500 for 2010) if you will be at least age 50 by end of calendar year.

Note: The above \$16,500 and \$5,500 limits apply to the total of your salary deferrals for the 2009 calendar year to the OUS 403(b) plan and to any other employer's 403(b) or 401(k) plan, SEP IRA, or simple retirement account, or to the Federal Thrift Savings Plan. Your total salary deferrals for the 2010 calendar year above those limits will not be pre-tax or Roth (post-tax) salary deferrals. Your salary deferral may also be limited by IRC 415(c) (next page).

MONTHLY DEFERRAL: In each month your Salary Reduction Agreement is active and you receive pay, the percentage of gross pay you elect in section C will be deducted, up to the IRS limits. If you elect to contribute 1% of gross pay, the 1% will be applied only to the first \$20,000 of gross pay for any one paycheck.

EXAMPLES: In the following examples you expect your monthly gross pay will be \$4,000.

Example 1: If you want to defer \$2,000 pre-tax effective as soon as administratively possible, check 'First Available Pay Month' in section B and then write "50" on the pre-tax deferral line that corresponds to your Provider in section D ($\$2,000/\$4,000 = 50\%$).

Example 2: If, in October of 2010, you want to defer \$12,000 pre-tax in 2010 over 12 monthly paychecks, select 'Future Pay Month' and write 10/2010 in section B, and then write "25" on the pre-tax deferral line that corresponds to your Provider in section D ($\$1,000/\$4,000 = 25\%$).

Example 3: If you would like to suspend your contributions as soon as administratively possible, select 'First Available Pay Month' in section B and then write "0" on the deferral line that corresponds with your current Provider in section D.

Example 4: If you want to change your deferrals to 5% pre-tax and 10% Roth per paycheck, and would like to be effective as soon as administratively possible, first check 'First Available Pay Month' in section B. Then write "5" on the pre-tax deferral line, "10" on the Roth deferral line and "15" on the Total line (5+10) that corresponds to your Provider in section D. Then select 'Future Pay Month'.

GENERAL: All tax-deferred investment (TDI) new enrollments, restarts, changes, and stops require completion of the Salary Reduction Agreement (SRA). The completed SRA must be sent to the address of employee's campus benefits office shown on this form. The SRA is an agreement between employee and Oregon University System (OUS). The salary deferral is a voluntary salary reduction from gross pay. The salary reduction amount is invested with one of the Providers, in an account in employee's name, under provisions of IRC 403(b). The investment options under the plan are tax-sheltered annuities or mutual fund custodial accounts. Except for Roth contributions, state and federal income taxes are



withheld only on remaining salary after the reduction. Other withholdings, deductions, and contributions, including Social Security taxes, apply to gross pay before the salary reduction. PERS and ORP contributions are not reduced by salary reductions under the 403(b) plan (ORS 243.830). Court-ordered deductions from pay (e.g., garnishments) are based on gross pay; they are not affected by salary deferral under this SRA. For assistance in completing this form, employees should consult an investment, financial, or tax advisor to determine the correct deferral amount.

ONE SRA: No more than one SRA may be in effect at any time. Any prior SRA is replaced by the most recent SRA.

EFFECTIVE DATE: For the requested action to take effect on the month-end payroll, the campus benefits office must receive the SRA by the 10th calendar day of the month. The salary reduction will continue until: A) Employee terminates employment with OUS; B) Employee files a new SRA to change or terminate contributions; or C) OUS gives advance written notice that the salary reduction is to stop.

DEFERRAL AUTHORIZATION: Employee authorizes salary reduction by the amount indicated and authorizes Oregon University System (OUS) to transmit funds to the designated Provider. **The salary reduction specified on the SRA form will continue until a new SRA is submitted or participation ends.** Employee is fully responsible for all computations in connection with the salary deferrals.

DEFERRAL LIMITS:

Employee understands that salary deferrals are limited by IRC 402(g) and IRC 414(v) and that these limits apply to the total salary deferrals made to the OUS 403(b) plan and to any other employer’s 403(b) or 401(k) plan, SEP IRA, or simple retirement account, or to the Federal Thrift Savings Plan. Maximum annual salary deferrals allowed by the General Limit (IRC 402(g)) and the Age 50 Catch-Up Limit (IRC 414(v)) are shown in the table below. Contact the IRS for publications explaining applicable rules.

Maximum Annual Salary Deferral Amounts by Year	General Limit IRC 402(g)	Age 50-Plus Catch-Up Limit IRC 414(v)
2009	\$16,500	Add: \$5,500
2010	\$16,500	Add: \$5,500

Employee also understands that IRC 415(c) limits the total annual additions for employee for a year. This limit for 2010 is the lesser of \$49,000 or 100% of compensation plus another \$5,500 if employee will be age 50 by December 31, 2010. The IRC 415(c) limit applies to the total annual additions for employee to all 403(b) plans and to all other types of retirement plans (but not including PERS, OPSRP, the OUS Optional Retirement Plan, or the Oregon Savings Growth Plan) of all employers controlled by employee (such as employee’s own business). IRS publications provide information on the maximum annual additions under IRC 415(c). Consult an investment, financial or tax advisor, or the IRS for advice.



PROVIDER SELECTION: Salary reduction amounts may be allocated to one Provider at time. Failure to establish an account with a Provider or to provide investment direction may result in return of the contribution.

ROTH OPTION: A post-tax voluntary Roth option is available through TDI:ous and TDI:tiaa-cref. Roth deferrals reduce the amount that can be contributed pre-tax, and net pay is reduced more than with traditional pre-tax 403(b) deferrals because income taxes are withheld. Consult a financial or tax advisor to determine if the Roth option is suitable for you.

ACKNOWLEDGEMENT OF RESPONSIBILITIES: OUS and employee acknowledge and understand that employee has total responsibility for deciding to defer salary and for instructing OUS to provide the salary deferral for investment purposes through a Provider. Employee assumes full responsibility for the results of his or her investment choices including the contribution limitations under the U.S. Internal Revenue Code. Further, an employee who elects optional services and investments offered by a Provider assumes full responsibility for fees and performance of investment products and services.

The employee assumes full responsibility for the tax, processing, and investment consequences of the SRA, and releases the State of Oregon, the Board of Higher Education, OUS, and OUS employees from any liability for financial loss resulting from any calculations or from selection of a Provider or its investment vehicles, from incorrect evaluation of tax-deferred status, from processing delays or errors, from discontinuance of present legislation affecting such benefits, and from incorrect advice received from OUS, the Provider, or their employees or representatives.



Section 9 – TDI Plan Highlights

Consider the investment objectives, risks, and expenses of the investment options before investing. Prospectuses and fund fact sheets can be obtained by contacting the TDI Provider. Please read carefully before investing.

Eligibility

All OUS Employees and OSU Clinical Fellows
Student employees are not eligible to participate.

TDI Providers & Programs

TDI: ous (through Fidelity Investments)
TDI: tiaa-cref
TDI: valic (closed to new participants as of 10/10/2007)

Contributions

Voluntary Salary Deferral. Minimum: \$25 per pay period or 1%

Contribution Limits

General Limit: \$16,500; Age 50-Plus Catch-Up: \$5,500

Distributions

Separation from Service or Age 59 ½

Loans

One new loan allowed per year, subject to outstanding loan balances for all OUS plans.

Hardship Withdrawals

Available, but not from Roth accounts.

Transfers & Exchanges

Fund-to-fund exchanges within a Providers' menu restricted by excessive trading, market timing and redemption period policies.
Account transfers permitted in-plan (between currently approved Providers) once each calendar year. Plan-to-plan transfers available as distributions. Transfers to consolidate accounts to current TDI providers unlimited.

Change of Provider

One time per year for new contributions

Enrollment

Enroll by the 10th of any month. Salary Reduction Agreement form available online at <http://www.ous.edu/SRA.html>.

More Information

See the TDI Guide online at <http://www.ous.edu/dcretplans/>



TDI:ous

Provider: Fidelity Investments

Plan ID: 71678

Contact: (800)343-0860

Online Address:

<http://www.mysavingsatwork.com/ous>

Investments may from time-to-time be replaced, and account balances transferred to replacement funds, at the direction of the Retirement Plans Investment Committee to comply with the Investment Policy of TDI:ous.

Participant education and account services provided by Fidelity Investments.

Post-tax “Roth” option available.

CORE INVESTMENT MENU

Target Date Lifecycle Funds

Fidelity Freedom Fund Income

Fidelity Freedom Funds 2000 – 2050

(11 target dates, in 5-year increments)

Passively Managed Funds

Vanguard Total Bond Index

Fidelity Spartan U.S. Equity Index

Vanguard Mid Cap Index

Vanguard Small Cap Index

Fidelity Spartan International Index

Actively Managed Funds

Fidelity Retirement Money Market

Metro West Total Return Bond

Vanguard Inflation Protected Securities

Fidelity Contra

American Beacon Large Cap Value

Neuberger Berman Socially Responsible

Times Square Mid Cap Growth Premier

Artisan Mid Cap Value

Managers AMG Essex Small Micro Cap Growth A

Westwood Small Cap Value

Dodge & Cox International Stock

SELF-DIRECTED ACCOUNTS

Stable Asset / Fixed Annuity

ING Stable Value Fund

Variable Annuity

ING PIMCO Total Return

PIMCO VIT Real Return Portfolio

The Growth Fund of America®

ING UBS U.S. Large Cap Equity Portfolio

ING Van Kampen Growth and Income Portfolio

ING FMR Diversified Mid Cap Portfolio

ING JPMorgan Mid Cap Value Portfolio

ING Baron Small Cap Growth Portfolio

ING JPMorgan Small Cap Equity Portfolio

EuroPacific Growth Fund-Class R4®

Mutual Fund Brokerage

Mutual funds through Fidelity NetBenefits™



TDI: tiaa-cref

Provider: TIAA-CREF

Plan ID: 101529

Contact: (800) 842-2776

Online Address:

<http://www.tiaa-cref.org/ous/>

**Individual Advice and Planning
Services offered by TIAA-CREF.**

Post-tax “Roth” option available

Variable Annuity

CREF Equity Index
CREF Global Equities Account
CREF Growth Account
CREF Stock Account
CREF Social Choice Account
CREF Bond Market
CREF Inflation-Linked Bond
CREF Money Market Account
TIAA Real Estate Account

Guaranteed Annuity

TIAA Traditional Account

Mutual Funds

TIAA-CREF Growth and Income Fund
TIAA- CREF International Equity Fund
TIAA- CREF Large-Cap Value Fund
TIAA- CREF Mid-Cap Growth Fund
TIAA- CREF Mid-Cap Value Fund
TIAA- CREF Real Estate Securities Fund
TIAA- CREF S&P 500 Index Fund
TIAA- CREF Small-Cap Equity Fund
TIAA- CREF Social Choice Equity Fund

TDI: valic

Provider: VALIC

Plan ID: 01034-001

Contact: (866) 211-9686

Online Address:

<https://www.valic.com>

Closed to new participants.

Open to participants enrolled in October 2007. Contact VALIC for other investments information.

Variable Annuity

VALIC Money Market II

VALIC Core Bond Fund

VALIC Inflation Protected Fund

VALIC Stock Index

Vanguard Windsor II

VALIC Blue Chip Growth (T. Rowe Price)

VALIC Social Awareness

VALIC Mid Cap Index

VALIC Mid Cap Value (Wellington/First American)

VALIC Mid Cap Growth (AIM)

VALIC Small Cap Index

VALIC Small Cap Special Value (Evergreen/Putnam)

VALIC Small Cap Aggressive Growth (Wells Capital Mgmt)

VALIC International Equities

VALIC International Growth I (American Century/AIM/MFS)

Fixed Annuity

VALIC Fixed Account Plus

Other investments are available in addition to this funds list.