

## VOLUNTARY INVESTMENT PROGRAM INSTRUCTIONS

Thank you for your interest in Western Washington University's Voluntary Investment Program (VIP). The VIP is a voluntary, tax-deferred, defined-contribution retirement program governed by Section 403(b) of the Internal Revenue Code. The VIP offers three vendor options from which to choose: Fidelity Investments, TIAA-CREF, and The Vanguard group. Descriptions of the vendors' distinct fund options are included in each of the enrollment packets.

VIP contributions are deducted *before* federal withholdings. Therefore, you will pay less in income taxes when you enroll because of your smaller taxable income. All contributions grow on a tax-deferred basis and you pay no taxes on your accumulation until you make a withdrawal.

### TO ENROLL:

- Complete all sections of the VIP Enrollment/Change Form.
  - In Section 1, choose one Contribution Election option.
    - Option 1 – Choose this option if wish to contribute a specified amount each pay period.
    - Option 2 – Choose this option if you wish to contribute the maximum amount allowed for your age (\$16,500 below age 50; \$22,000 age 50 and above).
      - ❖ Indicate how many paychecks you wish to spread your contributions over (Example: nine-month faculty = 18 paychecks; full-year staff = 24 paychecks)
  - In Section 2, choose one Fund Sponsor.
  - Print your name and Western ID number, sign and date the form.
- Complete the Fund Sponsor Enrollment Form.
- Mail or drop off the VIP Enrollment/Change Form and Fund Sponsor Enrollment Form to Benefits Services.

### TO CHANGE YOUR CONTRIBUTION:

- Complete Section 1 of the VIP Enrollment/Change Form
  - Update your Contribution Election Option. To stop your deduction, indicate \$0.
    - Option 1 – Choose this option if wish to change the amount each pay period.
    - Option 2 – Choose this option if you wish to change the deduction for the maximum amount allowed your age (\$16,500 below age 50; \$22,000 age 50 and above).
      - ❖ Indicate how many paychecks you wish to spread your contributions over (Example: nine-month faculty = 18 paychecks; full-year staff = 24 paychecks)
- Print your name and Western ID number, sign and date the form.
- Mail or drop off the completed VIP Enrollment/Change Form to Benefits Services.

### TO CHANGE YOUR FUND SPONSOR:

- Complete Section 2 of the VIP Enrollment/Change Form by choosing a new fund sponsor.
- Print your name and Western ID number, sign and date the form.
- Complete the Fund Sponsor Enrollment Form for the new vendor of your choice.
- Mail or drop off the VIP Enrollment/Change Form and Fund Sponsor Enrollment Form to Benefits Services.

#### **DROP OFF FORMS:**

Benefits Services  
Western Washington University  
405 – 32nd Street, third floor  
Bellingham, WA 98225  
360.650.7713

#### **US MAIL:**

Benefits Services  
Western Washington University  
516 High Street, MS 5221  
Bellingham, WA 98225

#### **CAMPUS MAIL:**

Benefits Services  
MS 5221

**Voluntary Investment Program  
Enrollment/Change Form**

*This agreement supersedes and replaces any previously submitted agreement.*

**Section 1: Contribution Election/Change**

Effective as of the next available paycheck I am scheduled to receive, I hereby authorize Western Washington University to reduce my gross, taxable earnings to the Voluntary Investment Program by:

\_\_\_\_\_ **Option 1** \$  per paycheck

**OR**

\_\_\_\_\_ **Option 2**  The maximum allowed contribution for my age;  
distributed over my  paychecks throughout the year.

**Section 2: Fund Sponsor Allocation/Change**

The voluntary retirement contribution is to be distributed to the following company (**choose one**):

- Fidelity Investments**
- TIAA-CREF**
- The Vanguard Group**

I agree that the University shall have no liability whatsoever for any loss suffered by me or by my beneficiary(ies) with regard to my allocation of these contributions among the various investment options.

**By my signature I verify that I have read and understood the provisions on both the front and the back of this form.**

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
WWU ID#

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**IF ENROLLING OR CHANGING FUND SPONSORS, BE SURE TO ATTACH YOUR  
VENDOR ENROLLMENT FORM BEFORE MAILING TO MS 5221**

## Administrative Procedures

Benefits Services administers the University Retirement Plan and Voluntary Investment Program (VIP). By signing this form, the employee understands that they are responsible for determining that the amount of the salary reduction is in accordance with the maximum permitted to them under the Internal Revenue Code (IRC). The employee or the University may terminate this agreement at any time with respect to salary not yet payable. Western Washington University reserves the right to stop or recover contributions as per Section 2 of this form. Subject to the foregoing, the agreement is legally binding and irrevocable with respect to amounts payable while the agreement is in effect. While employees have flexibility in matters of investment decisions, the administration of the plan is subject to the following:

1. **Enrollment/Change:** Employees may enroll or make changes in their investment vendor or salary reduction amount by submitting a new Voluntary Investment Program Enrollment/Change Form to Benefits Services. The requested contribution must be in compliance with applicable IRC sections, including, but not limited to, Sections 403(b), 415 and 402(g).
2. **Maximum Contributions:** The IRC specifies that an individual's *voluntary* salary reduction deferral limits cannot *generally* exceed the annual maximum specified in IRC Section 402(g). This dollar amount is \$16,500 in 2009 and is subject to change each calendar year.

Employees who are age 50 or older at any time during 2009 may defer an additional \$5,500 under special "catch-up" rules under IRC Section 414(v). Moreover, a higher Section 402(g) limit may apply in some cases, particularly for employees age 50 and older, and employees with more than 15 years of service at Western Washington University. If you think you may be eligible for the higher limit, please refer to IRS Publication 571, and if you determine that you qualify, please contact Benefits Services at 360.650.7713.

Naturally, you may not defer more than 100% of your salary. Benefits Services reserves the right to stop your contributions so that you do not exceed applicable IRC limits and to recover from the investment companies any excess contributions that exceed these limits. Salary reduction amounts reversed and recovered from the investment vendor will be returned in full to the participant according to applicable law.

**Note:** If you contribute to a Keogh plan or another retirement plan for earnings from a business or professional practice you control, or if you participate in a Section 403(b) program of another tax-exempt organization, contributions under those plans are subject to Section 415 annual limits (\$49,000 in 2009). You should consult with your tax advisors regarding these limits. Western Washington University will be held harmless from any action involving IRS Section 415 limits exceeded because of a participant's contributions made through any other employer or from self-employment income.

3. **Transfer of Accumulated Contributions:** Employees may transfer accumulated contributions among a VIP company's funds in accordance with each company's rules. Employees may transfer balances from one VIP company to another in accordance with the companies' procedures. Employees may not transfer funds outside of the VIP member companies unless all WWU employment has been terminated. Contact the companies directly for more information.
4. **Allocation of Future Contributions:** Employees may change the allocation of future contributions among the investment companies at any time by submitting the required completed forms to Benefits Services. Employees may change the future allocation of contributions within the funds of the same investment company according to each company's rules. Contact your VIP vendor for information regarding these rules.
5. **Discontinuation:** Employees may stop contributions at any time upon written request to Benefits Services.
6. **Withdrawal of Contributions:** The IRC restricts access to contributions before age 59 1/2 except for certain conditions (for example, separation from service or disability).

All withdrawn contributions are subject to federal income taxation in the year in which they are received. Before age 59 1/2, a 10% penalty, surrender fees from the investment company, and other restrictions may also apply. Employees should refer to their personal tax counsel and the VIP investment companies regarding these rules.