

CENTRAL MICHIGAN UNIVERSITY **CHAPTER 3**
MANUAL OF BOARD OF TRUSTEES
POLICIES, PRACTICES AND REGULATIONS **PAGE 3-14(R)**

SUBJECT: SUPPLEMENTAL TAX DEFERRAL ALTERNATIVES

The Board of Trustees of Central Michigan University is desirous of giving all staff members the option of deferring receipt of a portion of their compensation for the purpose of purchasing tax deferral contracts within the limits of Section 403(b) and 457(b) of the Internal Revenue Code. The 403 (b) Supplemental Retirement Annuities have been Board approved for all employees (since 1961). The Board now authorizes additional alternatives for individual employee groups as deemed appropriate by the President.

It is understood that all of the alternatives under this policy are employee funded via payroll deductions on a pretax basis.

The president or his designee(s) is authorized to execute, on behalf of the University, agreements with vendors who may offer 403(b) and 457(b) tax deferral contracts to employees and salary reduction agreements with employees, and the previous execution of any such agreements is hereby confirmed.

It is recognized that these tax deferral agreements will result in accounts being established by the vendor for the employee. If the employee funded tax deferral is with the same vendor as the employee's basic retirement, the tax deferral will normally be in an account for the employee separate from the basic retirement.

Authority: BTM 9-12-02 at 4538.

History: BTM 2-17-65 at 14/16; BTM 10-16-68 at 11-15; BTM 1-16-74 at 495;
BTM 5-6-94 at 2963/4.