

Policy Number: 6-603	Policy Name: Voluntary 403(b) Program
Policy Revision Dates: 12/2008, 11/99, 2/90, 2/88, 12/87, 5/85, 9/84	Page 1

## 6-603 Voluntary 403(b) Program

The program was established by the Board of Regents, effective July 1, 1963, and is modified or amended from time to time.

A. The voluntary 403(b) program is subject to the following provisions:

1. Any eligible employee may, upon voluntary written agreement to be managed through an online enrollment process, elect to accept a reduction in salary under this program.
2. For each employee electing a salary reduction, the institution shall purchase a nonforfeitable contract within the meaning and limitations of Section 403 (b) of the Internal Revenue Code. The cost of the contract is to be equivalent to the salary reduction.
3. Each salary reduction agreement shall contain any other provisions necessary to administer the program and comply with IRS requirements.
4. Each participating employee may specify within their written salary reduction agreement any company approved through the Board of Regents competitive bid process.

B. Approved companies shall operate in accordance with the following guidelines and directives:

1. All contracts must comply with applicable laws.
2. A company will not solicit by use of misleading or false promises or statements. Written material referring to a university shall not be used without the expressed approval of the university concerned. Further, a company may not use a "telephone room" operation for soliciting appointments from university personnel. Each company may make appointments at the request of the employee based upon a referral or written material mailed to the employee's home.
3. A company will not use its status as an approved voluntary 403(b) company to market any product, other than those within the meaning and limitations of Section 403 (b) of the Internal Revenue Service Code, including life insurance.

Policy Number: 6-603	Policy Name: Voluntary 403(b) Program
Policy Revision Dates: 12/2008, 11/99, 2/90, 2/88, 12/87, 5/85, 9/84	Page 2

4. Each company must guarantee that each plan offered is a "qualified" plan as defined under Section 403 (b) of the Internal Revenue Service Code in order to secure approval as a voluntary 403(b) company. The guarantee must provide that the company will pay any taxes, interest and penalties imposed on the employee or the Board if it is determined that the plan is not qualified.
5. Each university reserves the right to regulate the solicitation practices of agents or companies conducting business at any one of the universities.
6. Each company offering a voluntary 403(b) plan to university employees shall not discriminate in offering or administering such a plan on the basis of race, color, sex, national origin, age, ethnicity, religion, handicap, or veterans' status.
7. Each company approved under these guidelines agrees to furnish data pertinent to their products being offered and its company when requested by the Arizona Board of Regents or one of the universities. Further, each approved company agrees to comply with rules formulated by each university governing the administration of voluntary 403(b) plans and controlling solicitations on campus, and to offer only contracts which meet the criteria set forth herein.
8. An authorized officer of each approved voluntary 403(b) company must acknowledge and attest in writing that the company meets all criteria set forth in these guidelines and agrees to these terms and conditions. Violation by a company of these guidelines may be cause for revocation of that company's approval to enter into further contracts with any Board of Regents' or university employee.
9. Each approved company is required to work with the common remitter selected by the university.
10. Each approved company agrees to administer the plan in accordance with the plan document, board policy, terms of the most recent competitive bid process and federal regulations.