

To: All 403(b) plan participants

RE: 403(b) plan changes effective January 1<sup>st</sup>, 2009

As noted in previous communications, all 403(b) deductions as of January 1, 2009 will be invested through Lincoln Financial Group.

We were informed Friday afternoon that our previous deduction forms will not be effective for the new deduction.

**In order to continue your 403(b) deduction you will need to complete a new form. If you desire the deduction to be effective for the January payroll the form will need to be completed and submitted to the payroll office by January 12, 2009. Lack of response will result in no 403(b) deduction for the employee until the required form is submitted to the payroll office in a timely manner.**

The new form is attached.

We were also informed Friday afternoon that Lincoln Financial will not have representatives available for personal consultation until late January. This will not affect your ability to continue taking advantage of the tax saving incentives associated with 403(b) plans. Your funds will be deposited with Lincoln Financial in a guaranteed 'default' or 'holding' account until you have authorized your investment choice.

Please contact us if you have questions or concerns. We are not investment counselors, but will try to answer any questions you have regarding the process of this employee benefit program and the effects of recent changes.

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In response to employees who have previously contacted their current 403(b) investment vendor, an additional attachment is provided as a glossary of terms which may assist you.

EAST CENTRAL UNIVERSITY  
PAYROLL FORM  
403(B) DEDUCTION REQUEST

This specific 403(b) Deduction request is to:

- Begin or initiate a 403(b) deduction** \_\_\_\_\_
- Change or modify a 403(b) deduction** \_\_\_\_\_
- Terminate a 403(b) deduction** \_\_\_\_\_

This agreement between the employee, \_\_\_\_\_ and the employer, East Central University expressly authorizes East Central University to deduct, increase, decrease, or terminate deduction from the employees normal salary for the purpose of Section 403(b) of the Internal Revenue Code. Both the employer and employee understand that this agreement will remain in full effect until a signed written request by the employee, and authorized by East Central University, is submitted and received by the payroll office; as signified by signatures and dates by both the employee and a payroll officer of East Central University, except as noted below.

**Exceptions noted:** When or if an employee's available salary becomes less than the amount requested to be deducted for the 403(b) benefit, East Central University will forego further deductions until either the salary or pay is sufficient to cover the deduction or the deduction is modified as noted above. Also, any requested deduction which exceeds, or otherwise violates the provisions of Section 403(b) of the Internal Revenue Code, the deduction will be terminated or modified as necessary.

The employee understands and agrees that the 403(b) deduction and subsequent investment is or will be governed and authorized by a separate agreement with the employee and Lincoln Financial Group and Section 403(b) of the Internal Revenue Code as amended. **East Central University makes no guarantee regarding the value and performance of said investment.** That no provision of this agreement shall affect East Central University's right to discharge the employee, with or without cause, and said agreement will terminate upon the termination of employment. The employee also understands that the agreement will become effective at the earliest available payroll date after the date the agreement is received by the payroll office; and governed by payroll deadlines as agreed upon by the East Central University Executive Council; and that stipends or salary received outside of the normal payroll will not be effected or included in said agreement.

**Total amount of 403(b) deduction requested by this agreement** \_\_\_\_\_

Employee signature	Employee SSN	Date
Payroll Clerk signature		Date