

University Guidelines

Section 3.7 Financial Services: Human Resources

Tax-Deferred Annuities (*2 Policies of the Board of Trustees E*)

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A. Administration of the Program:

1. The tax-deferred annuities shall be referred to as the Supplemental Retirement Plan ("Plan"). This is a voluntary retirement benefit plan.
2. Each campus is guided by its own Supplemental Retirement Plan Document in compliance with the Internal Revenue Service Code ("Code"). The Plan document may be modified as needed to comply with future changes to the Code.
3. The Human Resource Directors at the respective campuses shall be the campus Plan Administrator to manage the Plan in accordance with the referenced policy, these guidelines and the respective campuses' Plan document.
4. At least annually, the Supplemental Retirement Plan Best Practices Committee (consisting of each campuses' Human Resource Directors or their delegates, the Benefits Managers, and other appointed SIU employees) shall review:
 - a. The Plan document;
 - b. The performance of the approved companies, which includes but not limited to, annual financial results; overall company rating; and compliance with the Plan; and
 - c. The performance of the approved companies to provide effective, efficient, and adequate services to employees, former participants, as well as campus administrative offices. This includes providing properly trained sales representatives familiar with the Code and who are able to complete all necessary documentation in a timely and competent manner in compliance with the Code.
5. All companies which at any time fail to meet the requirements of the Board Policies and these guidelines shall be placed on a watch list or removed immediately depending on the situation. If the company is placed on a watch list, the company will be closely monitored for three months by the appropriate campus and will be removed from the list of approved companies if a correction or improvement is not made. The burden shall be on the company to provide documentation acceptable to each campus of the correction or improvement needed to be removed from the watch list. Each campus Plan Administrator is authorized to remove a company from their Plan when necessary. Any company removed from the list of approved companies shall be expected to service those contracts that remain active with the company.

B. Responsibilities of Employees participating in the Plan:

1. Employees who choose to participate in this voluntary benefit Plan must comply with the participant responsibilities with regard to eligibility, conditions, and applicable contribution limits as set forth in the Plan document and by the Internal Revenue Service.


2. Employees may change or revoke their contribution in accordance with the Plan document.
3. A minimum annual contribution, established in each campuses' Plan document, is required. Reductions will be restricted to whole dollars (or whole percentages rounded to whole dollars for SIUC and SIUC School of Medicine employees only).

C. Responsibilities of companies participating in the Plan:

1. The Plan Administrators at each campus will determine when new companies may be added to the Plan.
2. All companies are required to comply with the respective Board policies, these guidelines, the Plan document, and all future amendments adopted by the University.
3. The company must submit to the University copies of its 403(b) plan agreement and other materials to be provided to employees describing the plan and funds offered. Any alterations to the company's plan documents must be submitted to the University.
4. All companies must execute a signed Administrative Services Agreement with each campus they request to participate with and remain in compliance with all conditions contained in the agreement.
5. Each company must comply with the Internal Revenue Service limitations on tax-deferred contributions.
6. Each company must undertake to indemnify, defend, and hold the Board of Trustees, its officers, and employees harmless from any and every claim, demand, cause of action, loss or expense resulting from failure to adhere to limitations referred to above.
7. The company must be willing to accept the campuses' transmittal list each pay period as evidence upon which the University will pay their account.
8. The company may lose its privilege of participation through failure to meet the university's requirements on a continuing basis.
9. Additional Qualifications for Insurance Company Participation:
 - a. The company must provide assurances that all federal and state requirements for the offering of 403(b) annuity contracts have been met and comply with the Internal Revenue Code and Regulations and Illinois law, regulations, and procedures with respect to the offering and servicing of such annuities.
 - b. Contracts must be considered by the insurance industry as pure annuities.
 - c. Insurance companies participating in the plan must have an A.M. Best's rating of A+ or better.
 - d. Participating companies must be authorized by the Director of Insurance of the State of Illinois to issue tax-deferred annuity contracts.
 - e. Authorized contributions intended for an annuity purchase will be used exclusively for that purpose and not for life insurance in any form or riders, including but not limited to retirement income forms, term insurance, income riders, and waiver of premium on accidental death or dismemberment. The initial loading cost, if any, from the initial contract must be credited in any change in the participant's annuity.

10. Additional Qualifications for Investment Company Participation:

- a. The company must provide assurance that all federal and state requirements for the offering of 403(b)(7) custodial accounts have been met and comply with all applicable requirements of the Internal Revenue Code and Regulations and Illinois law, regulations, and procedures with respect to the offering and servicing of such accounts.
- b. The company must be a regulated investment company authorized to offer 403(b)(7) custodial accounts to employees of eligible institutions in Illinois, or an agency authorized by such a company to offer custodial accounts.
- c. Authorized contributions intended for 403(b)(7) custodial account purchase will be used exclusively for that purpose and for investment in funds qualified for such custodial accounts.



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12/18/2025

Date