

04.1000 Retirement and Deferred Compensation Plans

04.1001 Optional Retirement Program

1. Optional Retirement Program. As authorized by Chapter 830 of the Texas Government Code and Section 403(b) of the Internal Revenue Code, the Optional Retirement Program is available for employees eligible to participate under chapter 830 and rules adopted by the Texas Higher Education Coordinating Board.
2. Plan Document. The Board shall adopt a plan document for the Optional Retirement Program in accordance with Section 403(b) of the Internal Revenue Code and consistent with Chapter 830 of the Texas Government Code.
3. Delegations of Authority. The Board delegates to the Chancellor the authority to sign and amend the Optional Retirement Program plan documents consistent with applicable law, provided the Board is given prior written notice of any amendment. The Board delegates to the Chancellor the authority to approve a supplemental employer contribution rate for the Optional Retirement Program in accordance with rules issued by the Texas Higher Education Coordinating Board, provided any approved supplemental employer contribution rate shall be uniform for all UNT System Administration and Institution Optional Retirement Program participants. The Board delegates to the Chancellor the authority to select companies qualified to provide Optional Retirement Program investment products, and to sign agreements with selected companies for account management, remittance, and compliance services. The Board delegates to the Vice Chancellor for Finance the authority to take all actions and make all decisions and interpretations necessary or appropriate to administer and operate the Optional Retirement Program consistent with the plan documents. The Vice Chancellor for Finance will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Optional Retirement Program in accordance with Section 403(b) of the Internal Revenue Code and consistent with Chapter 830 of the Texas Government Code.
4. List of Authorized Companies. The Vice Chancellor for Finance, through each Institution's human resources department, shall maintain a listing of companies authorized to offer annuities or other investments under the Optional Retirement Program.

04.1002 Tax-Sheltered Annuities – Voluntary Section 403(b) Plan

1. Establishment of Tax-Sheltered Annuity Program. As authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Sections 1 and 2, the Board has established a voluntary program pursuant to Section 403(b) of the Internal Revenue Code, for the benefit of all System employees; provided, however, an employee who is a student performing services described in Internal Revenue Code section 3121(b)(10) shall not be eligible to participate in the Plan.
2. Tax-Sheltered Annuity Program Plan Document. The Board shall adopt a plan document for the Tax-Sheltered Annuity Program in accordance with Section 403(b) of the Internal Revenue Code.
3. Delegations of Authority. The Board delegates to the Chancellor the power and authority to sign and amend the Tax-Sheltered Annuity Program plan documents consistent with applicable law, provided the Board is given prior written notice of any amendment. The Board delegates to the Chancellor the authority to select companies qualified to provide Tax-Sheltered Annuity investment products, and to sign agreements with selected companies for account management, remittance, and compliance services. The Board delegates to the Vice Chancellor for Finance the authority to take all actions and make all decisions and interpretations that may be necessary or appropriate to administer and operate the Tax-Sheltered Annuity Program consistent with the plan documents. The Vice Chancellor for Finance will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Tax-Sheltered Annuity Program in accordance with Section 403(b) of the Internal Revenue Service Code and consistent with Texas Revised Civil Statutes Annotated Article 6228a-5, Sections 1 and 2.
4. List of Authorized Companies. The Vice Chancellor for Finance, through each Institution's human resources department, shall maintain a listing of companies authorized to offer annuities or other investments under the Tax-Sheltered Annuity Program.

04.1003 Qualified Deferred Compensation Plan

1. TexaSaver Deferred Compensation Plan. As authorized by Chapter 609 of the Texas Government Code and Section 457(b) of the Internal Revenue Code, any eligible System employee may participate in the TexaSaver Deferred Compensation Plan administered by the Employees Retirement System of Texas.

04.1004 Non-Qualified Deferred Compensation Plan

1. Establishment of 457(f) Deferred Compensation Plan. As authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a), the Board approves the establishment of a non-qualified deferred compensation plan pursuant to Section 457(f) of the Internal Revenue Code.
2. Purpose of the Plan. Section 457(f) deferred compensation plans provide financial incentives in recruiting highly qualified candidates for employment and encouraging existing qualified employees to continue to devote their best efforts to the service of the System, System Administration, and Institutions. Such plans may be made available for the benefit of a select group of employees as determined solely by the Board. Each participant in the plan shall enter into a separate deferred compensation agreement with the Board.
3. 457(f) Plan Documents. The Board shall adopt a master plan document for the 457(f) deferred compensation plan.
4. Delegations of Authority. The Board delegates to the Chancellor the authority to sign and amend the 457(f) deferred compensation master plan document consistent with applicable law, provided the Board is given prior written notice of any amendment. The Board delegates to the Vice Chancellor for Finance the authority to take all actions and to make all decisions and interpretations that may be necessary or appropriate to administer and operate the 457(f) deferred compensation plan consistent with the plan documents. The Vice Chancellor for Finance will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain such Plan in accordance with Sections 457(f) and 409A of the Internal Revenue Code, consistent with Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a).
5. Not Eligible for Retirement Benefits. 457(f) deferred compensation is not part of an employee's base salary and shall be reported as a separate element of the employee's cash compensation. Deferred compensation is not eligible for Teacher Retirement System or Optional Retirement Program retirement benefits or other retirement benefits.

04.1005 Adoption of Additional Plans. The adoption of any type of retirement benefit or deferred compensation plan not listed in this Rule or mandated by State law requires the approval of the Board.

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