The University
VOLUNTARY SAVINGS PROGRAM
Guidebook
Enrollment note

Return the completed enrollment forms to the Human Resources Department Benefits Office by the 15th of the month for your investment program to begin the first of the following month.

The mailing address is:

Human Resources Department
Benefits Office
Oregon Health & Science University
3181 S.W. Sam Jackson Park Road, mail code HR
Portland, OR 97239
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Introduction

Oregon Health & Science University offers eligible employees the opportunity to enhance their retirement income through tax-deferred contributions in the University Voluntary Savings Program, which consists of two similar plans:

- 403(b) Plan (sometimes referred to as a tax-deferred investment plan)
- 457(b) Plan (sometimes referred to as a deferred compensation plan)

Both plans offer a variety of annuities and mutual funds. OHSU’s 403(b) Plan does not offer group annuity plans; all contracts are individually owned. OHSU administers the 457(b) Plan, and assets are held in trust. Investment options are made available to you from a select list of investment companies approved by OHSU.

All OHSU employees — both full-time and part-time — are eligible to participate in the University Voluntary Savings Program.

The 403(b) and 457(b) plans allow you to contribute part of your income on a tax-deferred basis, through automatic payroll deductions, to approved investment choices. Your contributions and investment earnings are not taxed until they are distributed to you at some future date. This allows you to accumulate tax-deferred savings to supplement your retirement plan and Social Security benefits when you retire at a later date.

This guidebook explains how this program works and what OHSU’s limited role is. It also provides you with basic information about different kinds of investments and about issues you should consider when you make your investment choices.

This guidebook is not intended to provide you with a detailed description of investments or make any recommendation regarding participation in the University Voluntary Savings Program. It is not intended to give you investment or tax advice. The decision whether to participate and how to participate should be based on your individual situation.
## Overview of 403(b) and 457(b) plan details

<table>
<thead>
<tr>
<th>Features</th>
<th>403(b) Plan</th>
<th>457(b) Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>How the plan works</td>
<td>You have an individual account with the investment company. You direct how you want contributions to be invested among a variety of investment company options. Your contribution amounts are automatically deducted from your paycheck and forwarded to the investment company.</td>
<td>OHSU has set up a trust. You direct how you want contributions to be invested among a variety of investment company options. OHSU has a contract with the investment company. Your contribution amounts are automatically deducted from your paycheck and then forwarded to the investment company through the trust.</td>
</tr>
<tr>
<td>Employee contribution amounts*</td>
<td>1% to 75% of your salary up to $15,000 (in 2006)</td>
<td>1% to 75% of your salary up to $15,000 (in 2006)</td>
</tr>
</tbody>
</table>
| Salary deferral limits            | 2005 $14,000  
2006 $15,000  
After 2006 the annual maximum will be adjusted for inflation.                                                                                                                                         | 2005 $14,000  
2006 $15,000  
After 2006 the annual maximum will be adjusted for inflation.                                                                                                                                         |
| OHSU matching contribution        | None                                                                                                                                                                                                        | None                                                                                                                                                                                                       |
| Investment companies              | A number of investment companies that offer various fund options in which you can invest your money. You may allocate your contributions and account balance among the options. You can select one or more companies to invest with at a time. | A number of investment companies that offer various fund options in which you can invest your money. You may allocate your contributions and account balance among the options offered by the company. You can only select one company to invest with at a time. |
| Taxes on distribution             | 10% additional tax for withdrawal or distribution before age 59 1/2, subject to limited exceptions.                                                                                                           | No additional tax for distribution before age 59 1/2.                                                                                                                                                        |
If you participate in both the 403(b) and 457(b) plans in 2006, you may contribute up to $30,000 on a tax-deferred basis, plus any special age- or service-related catch-up allowance. If you decide to enroll in both plans, your total contribution to the 403(b) and the 457(b) plans cannot exceed 75% of your gross salary each pay period.

<table>
<thead>
<tr>
<th>Age-related catch-up allowance</th>
<th>$4,000 in 2005</th>
<th>$5,000 in 2006</th>
<th>$4,000 in 2005</th>
<th>$5,000 in 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>(You must reach age 50 no later than the plan year of the catch-up contribution.)</td>
<td></td>
<td></td>
<td>You may be able to contribute additional amounts during the three years prior to the plan year you reach normal retirement age (age 60).</td>
<td></td>
</tr>
<tr>
<td>Service-related catch-up allowance</td>
<td>Additional deferral based on lower contributions in prior years. You must have at least 15 years of full-time equivalent service with OHSU and must not have maximized contributions in prior years.</td>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rollovers</td>
<td>Accepted from and permitted to various retirement plans: 403(b), 457(b) (except those maintained by non-governmental employers), 401(a) and IRA. Note: After-tax amounts are not accepted.</td>
<td>Accepted from and permitted to various retirement plans: 403(b), 457(b) (except those maintained by non-governmental employers), 401(a) and IRA. Note: After-tax amounts are not accepted.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>Available on or after leaving OHSU. Form of payment is approved by the investment company.</td>
<td>Available on or after leaving OHSU. Form of payment is a lump sum or annuity (if annuity is available from the investment company).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans/withdrawals allowed</td>
<td>Some investment companies may provide loan opportunities.</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*"If you participate in both the 403(b) and 457(b) plans in 2006, you may contribute up to $30,000 on a tax-deferred basis, plus any special age- or service-related catch-up allowance. If you decide to enroll in both plans, your total contribution to the 403(b) and the 457(b) plans cannot exceed 75% of your gross salary each pay period."*
OHSU’s role

OHSU’s role in the 403(b) Plan is limited to enabling your participation in the program by forwarding your contribution amount to the selected investment company or companies. OHSU maintains the 457(b) Plan and has established the 457(b) Plan trust fund. This means the 457(b) Plan has certain advantages associated with qualified plans. For example, under the 457(b) Plan your assets are protected from the claims of OHSU creditors.

OHSU’s role is limited to:

<table>
<thead>
<tr>
<th>403(b) Plan</th>
<th>457(b) Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establishing the 403(b) Plan.</td>
<td>• Establishing the 457(b) Plan, the related trust and controlling administration.</td>
</tr>
<tr>
<td>• Choosing investment companies authorized to offer investment options under the 403(b) Plan.</td>
<td>• Choosing the investment companies authorized to offer investment options under the 457(b) Plan.</td>
</tr>
<tr>
<td>• Authorizing the investment companies to publicize their products in accordance with OHSU’s solicitation guidelines.</td>
<td>• Authorizing the investment companies to publicize their products in accordance with OHSU’s solicitation guidelines.</td>
</tr>
<tr>
<td>• Forwarding your contribution amounts deducted from your paycheck to the investment company or companies you designate based on your 403(b) Agreement for Salary Reduction (ASR) form.</td>
<td>• Forwarding your contribution amounts deducted from your paycheck to the trust, which forwards your money to the investment company you designate based on your 457(b) Salary Deferral Election (SDE) form*.</td>
</tr>
</tbody>
</table>

*There is currently no administrative fee charged to participants for maintenance of the 457(b) Plan. Investment companies, however, may charge administrative fees in the future.

OHSU’s role does not include:

<table>
<thead>
<tr>
<th>403(b) Plan</th>
<th>457(b) Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Recommending participation in the 403(b) Plan.</td>
<td>• Recommending participation in the 457(b) Plan.</td>
</tr>
<tr>
<td>• Screening or evaluating 403(b) Plan investment companies based on their investment performance records.</td>
<td>• Advising employees about investments or the tax consequences of investments.</td>
</tr>
<tr>
<td>• Advising employees about investments or the tax consequences of investments.</td>
<td></td>
</tr>
</tbody>
</table>
Your responsibilities

You are responsible for:

• Deciding whether to participate in the University Voluntary Savings Program.

• Deciding how much to invest in one or both plans.

• Deciding which investment company (or companies) to choose.
  – Under the 403(b) Plan you may direct your contributions to more than one investment company at a time.
  – Under the 457(b) Plan you may direct your contributions to only one investment company at a time.

• Finding out about and understanding all provisions of the plan(s) in which you invest.

• Understanding all tax considerations.

• Correctly following enrollment and change procedures.
Investment options

Under the University Voluntary Savings Program, you may invest in annuity contracts, mutual funds or both through a number of different investment companies. The following sections list the investment companies approved by OHSU, describe the types of investments offered by the investment companies, and list questions you might want to ask your financial adviser or representatives of companies offering 403(b) and 457(b) investment plans.

Investment companies approved by OHSU for the University Voluntary Savings Program

The following list includes the investment companies approved by OHSU for the University Voluntary Savings Program. OHSU may add other investment companies to the list in the future.

<table>
<thead>
<tr>
<th>403(b) Plan</th>
<th>457(b) Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>You may select one or more companies to invest in at a time.</td>
<td>You may only select one company to invest in at a time.</td>
</tr>
</tbody>
</table>

- **American Funds**
  - Edward D. Jones ........................................ 503 692-3175
  - www.americanfunds.com
- **Diversified** ........................................ 800 659-6862
  - www.divinvest.com
- **Fidelity Investments** ................................. 800 343-0860
  - www.fid-inv.com
- **Lincoln Financial Advisors** ............................ 503 227-3571
  - www.lincolnlife.com
- **Teachers Insurance Annuity Association College Retirement Equities Fund (TIAA-CREF)** ........................................ 800 842-2888
  - www.tiaa-cref.org
- **VALIC Financial Advisors Inc** ........................ 503 276-1400
  - www.valic.com
- **Diversified ........................................... 800 659-6862**
- **Teachers Insurance Annuity Association College Retirement Equities Fund (TIAA-CREF)** ........................................ 800 842-2888
- **VALIC Financial Advisors Inc** ........................ 503 276-1400
Annuities

An annuity contract is an arrangement in which you pay money to a company — usually an insurance company — over a specified period of time. This type of agreement specifies you will get the money back in the future, along with the interest it has earned. Annuities typically pay out in monthly installments, but both the form of payment and the period over which annuities pay out vary according to the provisions of the contract.

**Fixed annuities** are long-term, fixed-return investments with an interest rate that may change periodically. The interest rate is made up of a guaranteed rate of about 3% to 4%, which is combined with other rates for annual earnings as quoted by the investment company. Fixed annuities usually are considered secure investments, but they also have lower earnings records than variable annuities.

**Variable annuities** are investment packages consisting of money market accounts, stocks and bonds that offer a range of funds and investment goals. An employee has the flexibility to shift money between the funds. These investments combine more risk with the possibility of greater returns.

In both fixed-dollar and variable annuities, the manner of payment is a major factor. Some annuities pay out only during your lifetime; at your death, the investment company keeps any remaining money. Others pay out during your lifetime and continue to make payments to your beneficiary for life. Still others pay out during your lifetime and continue to pay what you would have received to your beneficiary for a stated period.

**Appropriate financial objectives**

Annuities, especially fixed-dollar annuities, are considered “conservative” investments. If you want to place your savings in the hands of professional money managers and know precisely what your rate of return will be, then fixed-dollar annuities may be an appropriate investment for you. If you want the advantage of professional money managers and you are willing to incur a degree of risk for a possibly greater return on your investment, then a variable annuity may be an appropriate investment for you.
Questions to ask

The best way to have a complete understanding of the annuity you are considering is to read the contract carefully or have someone you trust review it for you. In any case, there are questions you should ask the representative of the investment company offering an annuity. Questions you might ask include:

- How long has the company been in business?
- What are the current credit ratings for the company?
- May a participant combine fixed and variable annuities under the same contract?
- What is the policy for crediting interest to fixed accounts?
- How often can the current interest rate change?
- If I had invested a certain amount of money in this fund five years ago, what would my account be worth today?
- What happens if I die or become disabled?
- What reports will I receive regarding my account?
- Is it possible to roll or transfer my funds to another tax-deferred investment company prior to receiving my payout? What costs are involved?
- Are there penalties for transferring or withdrawing my funds?

The questions above are general questions about annuities. For more specific questions, see page 15.
Mutual funds

Mutual funds invest money that has been pooled from many sources — individuals and groups. When you invest in a mutual fund, you are buying shares in the pooled assets of that fund. As the value of the fund rises or falls, the value of your shares also rises or falls.

Several hundred mutual funds operate in the United States, and they invest their assets in many different ways — in common stocks, corporate and government bonds, U.S. Treasury bills, certificates of deposit and various other vehicles. Some mutual funds concentrate on one type of investment vehicle, such as common stocks, and some concentrate on stocks within certain industries. Other mutual funds maintain diverse portfolios.

Mutual funds choose their investment vehicles according to the individual fund’s investment objectives. Investment objectives are a major difference (apart from actual performance) between one mutual fund and another.

When you consider investing in a mutual fund, you should ensure the fund’s investment objectives are consistent with your own investment goals.

Appropriate financial objectives

Mutual funds can best be described in terms of the risks they incur in pursuit of their financial gains. At the lower end of the risk potential are funds that invest in U.S. Treasury bills, certificates of deposit, corporate notes, money market funds and the like. These mutual funds are considered conservative because their objective is to preserve capital while providing a competitive interest rate. They offer no fixed rate of return, but they invest in vehicles that offer fixed rates of return. If your financial objectives involve making use of professional money managers and incurring relatively low market risk to gain a competitive interest rate, mutual funds that state their objectives in those terms may be attractive to you.

At the higher end of the risk potential are aggressive funds that strive for dramatic performance by making riskier investments in, for example, stocks with above-average growth potential. Aggressive funds can experience sharp ups and downs from one year to another as they attempt to maximize gains over the long term. If you are willing to incur substantial market risk for the possibility of substantial long-term gain, you may want to invest in a mutual fund that describes itself as aggressive.

Between the conservative and the aggressive mutual funds are funds with moderate objectives — for example, the accumulation of long-term capital gains. The level of risk varies from one fund to another. If you examine the stated objectives of a given mutual fund, you will be able to tell what kind of risk is involved.
Many companies offering mutual funds provide a choice of funds that range from conservative to aggressive. This gives you the option of dividing your contributions among funds to balance your investment risk. Another way to balance your risk is to spread your investments among investment companies that have different fund objectives.

Questions to ask

Your choice of a mutual fund should be based on the match between the fund’s financial objectives and your own, on the historical performance of the fund, and on other information about the organization of the fund (e.g., the qualifications and tenure of the fund manager). Much of this information is contained in the fund’s prospectus, which you should review carefully before you sign an agreement.

- What are the financial objectives of the fund?
- What types of investments is this company authorized to make?
- What kind of risk is associated with investing in this fund?
- How has this mutual fund performed year by year over the last 10 years?
- How long has the company been in business?
- If I had invested a certain amount of money in this fund five years ago, what would my account be worth today?
- What happens if I die or become disabled?
- What reports will I receive regarding my account?
- May I invest in more than one fund at a time?
- Is it possible to roll or transfer my funds to another tax-deferred investment company prior to receiving my payout? What costs are involved?

The questions above are general questions about mutual funds. For more specific questions, see page 16.
Sales and management fees

Companies that are part of the University Voluntary Savings Program have been approved by OHSU. The investment companies have different approaches and characteristics and offer different investment options. OHSU does not recommend any particular company or any investment option offered through a company. OHSU cannot advise you regarding the relative merits of any investment company, but as part of your individual evaluation efforts you should consider all sales, marketing, transaction and management fees that are charged by an investment company or that apply to particular investment options.

Some investment companies employ sales people, while others do not. Most companies have designated representatives for the University Voluntary Savings Program. You may obtain a list of the representatives by calling the telephone numbers listed for each company (see page 10). It is a good idea to know the relationship of the representative to the company in which you are considering investing.

Annuities

It is important to take the time to thoroughly read the prospectus or other description or disclosure about the investment option. When you speak with an annuity representative, you may wish to ask the following questions:

- What is your relationship to the company selling the annuity?
- What percentage of contributions will be paid as sales commissions? (Any sales commission should not be deducted from your contributions but will have the effect of reducing the rate of investment return.)
- Are there any management fees? If so, how much are they? Is the rate the same for each year or does it vary? If it varies, by how much?
- If I contribute $100 a month for the next 10 years, how much of that money will I have paid in commissions and management fees at the end of that time?
Mutual funds

Mutual funds are divided into “load” (commission) and “no-load” (no commission) funds. Mutual funds that are load funds either have their own sales force or are sold through brokers. The funds available through the University Voluntary Savings Program, however, are no-load, and you should confirm that with the companies' representatives. You may be charged management fees on both load and no-load funds.

When you speak with a representative of the mutual fund, you may wish to ask the following questions:

• What is your relationship to the mutual fund you are representing?
• How much is the management fee?
• When are the fees charged?
Withdrawals

Investment companies vary greatly in the way they handle withdrawals while you are still employed and distributions after you terminate employment with OHSU. Generally, under the 403(b) Plan you may not have amounts distributed to you from your accounts or contracts while you are employed by OHSU. You may be able to receive amounts under the 403(b) Plan while you are still employed under certain circumstances, such as financial hardship. You should carefully review the withdrawal and distribution policies of the investment companies and investment options before making your selection. You should also discuss the tax consequences of withdrawals and distributions with your tax adviser. **Remember withdrawals are not permitted under the 457(b) Plan.**

Among the questions you may wish to ask a representative are the following:

- When am I eligible to receive my money without restriction?
- Are amounts restricted under any circumstances?
- If I am allowed to receive my money, will there be any charge or penalty imposed?
- What fees are involved in withdrawing or distributing money from my account?
- What options are available upon my termination of employment with OHSU?
Distribution rules

Under the 403(b) Plan and the 457(b) Plan, distributions must begin by April 1 following the year in which you become 70 1/2 or the year in which you retire from OHSU, whichever comes later. There are penalties if you do not begin your distribution according to these rules. If you are employed when you reach age 70 1/2, however, you are not required to begin your distribution until you terminate employment with OHSU.

Loans

Some investment companies may provide loan opportunities. Inquiries should be directed to the investment company. However, you should take other steps, such as having money set aside in a savings account or credit union, to meet any emergency needs that may arise. Remember that loans are not available under the 457(b) Plan.
The amount of income you defer to make contributions to the University Voluntary Savings Program is subject to Social Security taxes.

### Tax treatment

When you receive money from a plan, it is included as ordinary income for federal and Oregon state income tax purposes unless the money is properly rolled over. Before you receive amounts from a plan, you will receive information about income taxes, withholding and rollovers.

Amounts withdrawn or distributed from your account or contract under the 403(b) Plan are subject to a 10% federal tax in addition to income taxes unless one of a limited number of exceptions apply. One exception is for substantially equal payments for life or life expectancy of the recipient or the recipient and another person. If you would like to receive an amount before age 59 1/2, consult your tax advise about the additional tax.

The amount of income you defer to the University Voluntary Savings Program is subject to Social Security taxes. Participation in the program will not, therefore, lower your Social Security taxes or affect your Social Security benefits.

OHSU and its employees cannot advise you about the tax treatment of your particular account. This guidebook states only the most general rules, and tax rules are subject to change. For reliable tax information, you should consult a tax adviser. Internal Revenue Service (IRS) publications 571, 575 and 590 provide information about 403(b) plans, retirement income and IRAs.
Contributions

The Internal Revenue Code establishes limitations on the amount of money you may contribute to a voluntary savings program on a tax-deferred basis. There may be variations among employees; however, the following general rules may give you an idea of the amount of your personal limit.

In general, contributions you make through a salary reduction agreement are limited by law.

• You may contribute between 1% and 75% of your gross annual salary to the 403(b) Plan, not to exceed $15,000 (in 2006).

• You may contribute between 1% and 75% of your gross annual salary to the 457(b) Plan, not to exceed $15,000 (in 2006).

• If you decide to enroll in both plans, your total contribution to the 403(b) and the 457(b) plans cannot exceed 75% of your gross salary each pay period.

That is a total of $30,000 a year (in 2006) if you decide to enroll in both plans. This amount will be reduced by any contribution to a 403(b) or 457(b) Plan at another employer.

Exceptions to the rules above apply for longer service employees and those approaching retirement age.

• You may contribute additional amounts to the 403(b) Plan if you have 15 years of full-time equivalent service with OHSU and you have not made contributions that total the product of $5,000 multiplied by your years of service with OHSU.

• For the 457(b) Plan, you may contribute additional amounts during the three years preceding the plan year you attain normal retirement age (age 60) if you have not contributed the maximum amounts in prior years of participation.

The investment company (or companies) will calculate the special service- and age-related catch-up allowances for both the 403(b) and 457(b) plans.
To enroll in the University Voluntary Savings Program, you must:

• Complete the appropriate OHSU form for your plan. There are separate OHSU forms for the 403(b) and 457(b) plans:
  
  – 403(b) Plan: Agreement for Salary Reduction (ASR) form
  – 457(b) Plan: Salary Deferral Election (SDE) form

• Select one or more of the OHSU-approved investment companies offering a 403(b) Plan contract or one of the investment companies under the 457(b) Plan and complete the investment company’s enrollment form. (Contact the investment company for an enrollment form.)

• Submit both the OHSU and the investment company’s forms to the Human Resources Department Benefits Office at mail code HR.

An ASR form authorizes OHSU to reduce your salary on a biweekly basis by the amount you specify and to send that money to the investment company or companies with which you have designated a 403(b) account. An SDE form authorizes OHSU to defer your salary on a biweekly basis by the amount you specify to be held in trust and is then forwarded to the investment company with which you have designated a 457(b) account. The OHSU forms are available from the Benefits Office. On the OHSU forms you must name the investment company or companies to which OHSU will send your contributions. The minimum amount you may contribute is $25 per month to each plan account.

To allow time to administer your salary contributions, you must submit the completed form(s) no later than the 15th day of the month before the month in which you want it to take effect. For example, if you want your University Voluntary Savings Program contributions to be deducted from your salary starting with the first payroll of July, you must submit your completed OHSU form(s) to the Benefits Office by June 15.

It is very important that you choose an investment option with the investment company of your choice (from the selection approved by OHSU) and complete the investment company’s enrollment form before filling out an OHSU form. If you fill out the OHSU forms without an investment company enrollment form, your enrollment cannot be processed.
When you enroll in the University Voluntary Savings Program, you'll need to decide which plan to contribute your money to — the 403(b) Plan, the 457(b) Plan or both. In 2005, you may contribute up to $14,000 to each plan. That means you can defer up to $28,000 before tax in 2005. (This amount will be reduced by any contribution to a 403(b) or 457(b) plan at another employer.) Review the comparison chart of the two plans on pages 6–7. The key differences between the two plans are listed below:

<table>
<thead>
<tr>
<th>403(b) Plan</th>
<th>457(b) Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Under this plan you have an individual account with the investment company. You direct how you want contributions to be invested among a variety of investment company options. You have a contract directly with the investment company you select. Your contributions are automatically deducted from your paycheck and forwarded to the investment company.</td>
<td>• Under this plan contributions are held in a trust and you direct how you want contributions to be invested. OHSU has a contract with the investment company. Your contributions are automatically deducted from your paycheck and then forwarded to the investment company.</td>
</tr>
<tr>
<td>• Choose investment options among six investment companies. You can select more than one company to invest in at a time.</td>
<td>• Choose investment options among three investment companies. You can select only one company to invest in at a time.</td>
</tr>
<tr>
<td>• Hardship withdrawal/loans permitted.</td>
<td>• Hardship withdrawal/loans not permitted.</td>
</tr>
<tr>
<td>• May leave your accounts invested after leaving OHSU.</td>
<td>• Lump sum payment is not subject to 10% excise tax.</td>
</tr>
<tr>
<td>• Early withdrawal of lump sum is subject to 10% excise tax.</td>
<td>• Special catch-up allowance for three years preceding the plan year you attain normal retirement age (age 60).</td>
</tr>
<tr>
<td>• Fifteen-year service-related catch-up allowance.</td>
<td></td>
</tr>
</tbody>
</table>

You may enroll in one or both plans and begin each account with a $25 contribution. When deciding which plan to contribute to, you may want to consider the following:

• Will you borrow from your savings account or possibly seek a hardship withdrawal prior to termination of OHSU employment?

• Is the investment option that you want available through the investment company offering the plan?

• If you think you may need some of your retirement savings before age 59 1/2, remember that payments under the 403(b) Plan are subject to an additional 10% tax if you are under age 59 1/2, unless certain exceptions apply to you. Also remember that you may not receive money under the 457(b) Plan while you remain employed by OHSU.

• How might you best use the catch-up provisions of either plan?
Making changes

You may make changes to your contributions under the University Voluntary Savings Program account at any time during the year. The change must be submitted on an Agreement for Salary Reduction (ASR) form and/or a Salary Deferral Election (SDE) form by the 15th of the month in order to be effective the following month.

There are no open enrollment periods. At any time you may:

• Start a new agreement.
• Increase or decrease the amount you contribute.
• Stop your contributions.
• Reallocate existing funds.
• Change investment companies (remember, you can direct your future contributions to only one investment company at a time under the 457(b) Plan).
• Transfer your existing account.

How to increase or decrease the amount of your salary reduction

• Complete a new OHSU form. There are two separate forms, one for the 403(b) Plan and one for the 457(b) Plan (see page 21).
• Forward the OHSU form to the Benefits Office at mail code HR.

After processing and approving the OHSU form, the Benefits Office will mail the
How to stop your contributions

You can terminate contributions in an investment company or in the University Voluntary Savings Program anytime regardless of prior changes. Stopping your contributions to the University Voluntary Savings Program does not mean withdrawal of funds. You should:

• Contact the Benefits Office for an OHSU form.
• Forward the completed OHSU form to the Benefits Office by the 15th of the month to be effective the following month.

After processing and approving the OHSU form, the Benefits Office will send the yellow copy of the agreement to the address you enter on the form.

How to make changes in fund allocation

Each investment company has its own rules for reallocating existing accounts among the different investment options, and sometimes fees are involved. You may change existing funds or move money between funds by calling the investment company or by going to the investment company’s Web site (see page 10) and reallocating your funds online. You can determine a plan’s reallocation rules before you invest in it by reading the available materials, researching information on the Web site or, if there is a representative, by asking questions. Among the questions you may wish to ask are the following:

• What is the procedure for reallocating existing funds from one investment option to another?
• How often may I reallocate among investment options?
• Are the rules for future contributions the same as those for money already invested?
How to change investment companies

• Contact a representative of the new OHSU-approved investment company.

• With the help of the company representative, complete the company’s enrollment forms and an OHSU form to stop the salary reduction to the prior company and start the salary reduction to the new company. You may also continue contributions to your current 403(b) Plan investment company and add a new investment company on the same form by listing both companies. You will have to split your contribution between the companies.

• Forward the new company’s enrollment form and the new OHSU form to the Benefits Office at mail code HR.

Remember, you can direct your future contributions to only one investment company at a time under the 457(b) Plan.

After processing and approving the OHSU form, the Benefits Office will send the yellow copy of the agreement to the address you enter on the form.

How to transfer your funds from one company to another

When you consider transferring existing funds from one company to another, you should keep in mind the following:

• Companies may charge withdrawal fees. Ask a representative of the company from which you are transferring funds whether there will be any restrictions or fees involved.

• There are no federal tax consequences regarding most transfers as long as you follow prescribed procedures. Check with the investment company about the procedures. In this matter and any others related to taxes, you should consult a tax adviser.
If you leave OHSU

If you leave OHSU employment, the money in your accounts(s) can be handled in various ways, depending on your circumstances at the time you leave, the provisions of your 403(b) Plan or your 457(b) Plan, and current IRS regulations.

403(b) Plan

- You may begin to receive annuity benefits or withdraw funds according to the provisions of your investment contract.
- You may leave the funds in your account and continue to participate in the investment funds according to the provisions of your account.
- You may rollover your money to your new employer's savings plan, if your new employer offers such an option.

457(b) Plan

- You may begin to receive annuity benefits purchased with the balance of your account (if the account is invested with an investment company that offers annuities) or receive a lump sum cash payment after leaving OHSU employment.
- You may leave the funds in your account and continue to participate in the investment funds according to the provisions of your account.
- You may rollover your money to your new employer's savings plan, if your new employer offers such an option.

Distributions from your accounts may be eligible for rollover, depending on the form of distribution you choose. You will receive information about withholding and rollovers before distribution starts. Your tax adviser will be able to help you determine the best option for your circumstances.
Administrative information

This guidebook provides the basic information you need to participate in the University Voluntary Savings Program. If you have additional questions about these procedures, call the Benefits Office at 503 494-7617. For information on investments or tax treatment, you should consult a financial or tax adviser.

Occasionally problems or misunderstandings arise between University Voluntary Savings Program participants and the companies handling their accounts. These situations are rare, but if you experience any problems you should first try to resolve them with a company representative. If the problem cannot be resolved in this way, call the Benefits Office at 503 494-7617.

This guidebook describes the University Voluntary Savings Program in only general terms. OHSU is not responsible for points not covered. OHSU also is not responsible in any way for an employee’s choice to participate in the program or an employee’s choices once in the program. OHSU always has the right to amend or discontinue the program.
Oregon Health & Science University includes the schools of dentistry, medicine, nursing, and science and engineering; OHSU Hospital and Doernbecher Children’s Hospital; numerous primary care and specialty clinics; multiple research institutes and centers; and several community service and outreach units.

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