

**ARIZONA BOARD OF REGENTS
POLICY MANUAL**

6-603 Voluntary 403(b) Program

Revision Dates

11/16/2023, 12/4/2008, 11/19/1999, 2/16/1990, 12/4/1987, 5/31/1985, 9/15/1984, 3/12/1983
(adopted; effective 5/1/1983)

The Voluntary 403(b) Program is operated under the authority of A.R.S. §§15-121 and A.R.S. 15-1626.

- 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 participate in an approved 403(b) tax sheltered annuity by accepting a reduction in salary under this program.
 2. For each employee electing to participate through a salary reduction, the institution shall purchase, from a company or companies approved through the Board's competitive bid process, 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 shall comply with all applicable IRS requirements.
 4. Each participating employee may select the company from which a contract is purchased from any company approved in accordance with section (A)(2). The employee's selection shall be set forth within their written salary reduction agreement.
- B. Approved companies shall operate in accordance with the following guidelines and directives:
1. All contracts must comply with all applicable laws.
 2. A company shall not solicit by use of misleading or false promises or statements. Written material referring to a university shall not be used without the express approval of the university concerned. Further, a company shall 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 shall not use its status as an approved Voluntary 403(b) Program 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.
4. Each company shall 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) Program company. The guarantee shall provide that the company shall 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 may regulate the solicitation practices of agents or companies conducting business at that university to the extent permitted by law.
6. Each company offering a Voluntary 403(b) Program 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 shall agree 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 shall agree to comply with rules formulated by each university governing the administration of Voluntary 403(b) Program 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) Program 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 shall agree to administer the plan in accordance with the plan document, Board policy, the terms of the most recent competitive bid process and all applicable state and federal laws.

Policy History

- 3/12/1983 The Policy Manual was adopted by the Board to be effective 5/1/1983.
- 9/15/1984 Policy revision approved by the Board on second reading.
- 5/31/1985 Policy revision approved by the Board on second reading.
- 12/4/1987 Policy revision approved by the Board on second reading.
- 2/16/1990 Policy revision approved by the Board on second reading.
- 11/19/1999 Policy revision approved by the Board on second reading.
- 12/4/2008 Policy revision, including renaming, approved by the Board on second reading.
- 11/16/2023 Policy revision approved by the Board on second reading.

Related Information

See 3/12/1983 meeting minutes.

This policy was originally numbered as 6-606 and 6-607 from its adoption in 1983 until 12/4/1987 when it was renumbered as 6-603 and combined into one policy.