APPENDIX W

Policy on Offering Roth 403(b) Accounts

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Deleted: Each constituent institution and other entities of the University are hereby authorized to enter into agreements with companies to offer Roth 403(b) accounts to their employees.[1]

The constituent institutions and entities should take care to comply with tax laws for these new accounts.

[1]Employees should note that, while the North Carolina Department of Revenue has not stated its position on the taxation of earnings and distributions from Roth 403(b) accounts, North Carolina state tax law now follows the federal model, at least through 2010. Additional North Carolina legislative action may be necessary to make these rules permanent, similar to the action taken by Congress in the Pension Protection Act of 2006.