

Alton CUSD #11 - 403(b) Salary Reduction Agreement

Step 1 - Employee Information

Name _____ Telephone (____) _____

Mailing Address _____ D.O.B. _____

City _____ State _____ Zip _____

Date of Hire _____ Social Security No. _____

Step 2 - Contribution Information (Check all that apply)

- Initiate new salary reduction: Please deduct the amount of (\$) _____ Per Pay
- Change the amount of my TSA (Tax Sheltered Annuity) salary reduction from (\$) _____ to (\$) _____ Per Pay
- Change Service Provider from _____ to _____
- Discontinue my TSA (Tax Sheltered Annuity) salary reduction with the following Service Provider _____
- Employee is utilizing catch-up provision/special elections (MAC required) (\$) _____
- Maximum Allowable Contribution (MAC required) (\$) _____

Implementation Date: Salary reduction instructions shall be implemented in accordance with Employer's administrative schedule.

For each Employee utilizing the "catch-up provisions" or the "special elections" allowed by the Internal Revenue Code, a MAC calculation shall be required annually.

Step 3 - Service Provider

Service Provider/Vendor Name	(\$)	Salary Reduction Amount-Per Month
1. _____	_____	_____
2. _____	_____	_____

Step 4 - Authorization Agreement

The above named Employee agrees to modify his/her salary as indicated above. Employer agrees to contribute this amount on Employee's behalf into the annuity or custodial accounts elected by Employee. It is intended that the requirements of all applicable state or federal income tax rules and regulations (Applicable Law) will be met. The Employee understands and agrees to the following:

1. This Salary Reduction Agreement is legally binding and irrevocable with respect to amounts paid or available while this agreement is in effect;
2. This Salary Reduction Agreement may be terminated at any time for amounts not yet paid or available, and that a termination request is permanent and remains in effect until a new Salary Reduction Agreement is submitted; and
3. This Salary Reduction Agreement may be changed with respect to amounts not yet paid or available in accordance with the Employer's administrative procedures.

Employee agrees to indemnify and hold Employer harmless against any and all actions, claims, and demands whatsoever that may arise from the purchase of annuities or custodial accounts for Employees in amounts in excess of contribution limits as defined under Applicable Law except where a Maximum Annual Contribution (MAC) was calculated by your Service Provider based on accurate information provided by Employee. Employee acknowledges that Employer has made no representation to Employee regarding the advisability, appropriateness or tax consequences of the purchase of the annuity and/or custodial account described herein. Employee agrees Employer shall have no liability whatsoever for any and all losses suffered by Employee with regard to his/her selection of the annuity and/or custodial account; its terms; the selection of the insurance company or regulated investment company; the financial condition, operation of or benefits provided by said insurance company or regulated investment company; or his/her selection and purchase of shares of regulated investment companies.

Nothing herein shall affect the terms of employment between Employer and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

Important Information

1. Employer does not choose the annuity contract or custodial account in which your contributions are invested.
2. Employees are responsible for setting up and signing the legal documents to establish your annuity contract or custodial account. However, in certain group annuity contracts, the Employer is required to establish the contract.
3. In order to receive the expected tax results, Employees are responsible for investing in annuity contracts or custodial accounts that meet the requirements of Section 403(b) of the Internal Revenue Code.
4. Employees are responsible for naming a death beneficiary under annuity contracts or custodial accounts. This is normally done at the time the contract or account is established. Beneficiary designations should be reviewed periodically.
5. Employees are responsible for all distributions and any other transactions with Service Provider. All rights under contracts or accounts are enforceable solely by Employee, Employee beneficiary, or Employee's authorized representative. Employee must deal directly with Service Provider to exchange to different contracts or custodial accounts, begin distributions, or any other transactions.
6. Employees are responsible for determining that salary reductions do not exceed the allowable contribution limits under Applicable Law.

Step 5 - Employee Signature

Participation in other employer plans: (you must check only one)

_____ I do not and will not have any other elective deferrals, voluntary salary reduction contributions, or non-elective contributions with any other employer.

_____ I do participate in another employer's 403(b), 401(k), SIMPLE IRA/401(k), or Salary Reduction SEP. The following information pertains to all of my other employers for the current calendar year:

Elective Deferrals and/or salary reduction contributions \$ _____; Non-elective contributions \$ _____

I certify that I have read this complete agreement and understand that my salary reductions may not exceed contribution limits as determined by Applicable Law. I understand my responsibilities as an Employee under this Program and I request that the Employer take the action specified in this agreement. I understand that all rights under the annuity or custodial account established by me under the Program are enforceable solely by me, my beneficiary, or my authorized representative.

I understand that the Alton School District will be required to share information with my chosen Service Provider such as, but not limited to my Social Security Number, salary, and other information as necessary to administer the account.

I have received a copy of the Alton School District's 403(b) Plan Document and agree to abide by its terms.

I understand and agree that, in the event I wish to request a rollover into the 403(b) Plan, hardship withdrawal, distribution, investment change, contract exchange, or any other transaction regarding the 403(b) Plan, I must obtain pre-authorization from my Service Provider and Employer.

Employee Signature: _____ **Date:** _____

Step 6 - To Be Completed by Sales Representative/Service Provider Agent

I agree to comply with all pertinent written directives of Employer regarding the solicitation of Employees. A MAC calculation will be provided annually for Employees utilizing "catch-up provisions" or the "special elections". Furthermore, I agree to indemnify and hold harmless the Employer, any individual member of the governing board and the Employee participating in the 403b (ASP) Program against any claims based on an error in the MAC calculation that I provided, except where the error is based upon erroneous information provided by the Employer or Employee.

(Please Print)

Sales Agent/Service Provider Name: _____

Phone: _____

Address: _____

Signature: _____ **Date:** _____

Step 7 - Employer Signature

Employer hereby agrees to this Salary Reduction Agreement

Employer Signature: _____ **Date:** _____

Employer Title: Director of Financial Services (or designee _____ **)**