

SALARY REDUCTION AGREEMENT

This salary reduction agreement is executed between _____ Independent School District hereinafter referred to as "Employer"

Employee Name: _____	SSN _____	Date of Birth _____	Date of Hire _____
Address: _____		City _____	State _____
		Work Phone _____	Home Phone _____

WHEREAS the Employee wishes to obtain the benefits of (**PLEASE CHECK ONE OF THE ITEMS BELOW**):

Section 403(b) Pre-Tax Roth 403(b) After Tax _____ 457 Deferred Compensation
 403(b)(7) or Pre-Tax Roth 403(b) After Tax

of the Internal Revenue Codes of 1954 and 1974 by participating in either an annuity or custodial account purchase program of the Employer, and WHEREAS the Employer wished to have the Employee receive those benefits.

NOW THEREFORE, in consideration of the mutual promises and conditions appearing below, it is agreed:

1. That as of _____, 20__ (a date following the execution of this agreement) the annual rate of salary otherwise payable to the Employee shall be reduced by \$ _____ (annual election) according to the following schedule at the rate of \$ _____ per month beginning _____, 20__ (or as soon as possible) and thereafter, notwithstanding anything to the contrary contracted by the parties to the agreement.

Present Contribution \$ _____ Increase or New \$ _____ Decrease <\$ _____> = \$ _____
 If none enter "0" MONTHLY CONTRIBUTION

2. That the Employer will apply the amount of the salary reduction described in #1 to the purchase of a nonforfeitable contract for the Employee from:

_____	_____	_____	Circle One: New Increase Decrease Stop Restart
Company Name	Monthly Contribution	TRS Product Type/ID# & Investment Option	
_____	_____	_____	Circle One: New Increase Decrease Stop Restart
Company Name	Monthly Contribution	TRS Product Type/ID# & Investment Option	

3. That it is understood and agreed between the Employer and the Employee that such contract is to be purchased at the request of the Employee under a program adopted by the Employer and that the Employee hereby accepts the provisions of that program, and that the Employer neither guarantees such contract nor warrants adopted payroll procedures respecting same.

4. That this agreement is legally binding and irrevocable with respects to the amounts earned while it is in effect, and shall terminate upon the surrender of such contract by the Employee. That the employee is responsible for the accuracy of the excludable amounts stated in the agreement. Any overstatement may result in additional taxes, interests and penalties to the Employee.

5. That no provision of this agreement shall affect the Employer's right to discharge the Employee, with or without cause, and each party to the agreement expressly reserves the right to terminate said agreement upon giving 30 days written notice to the other party.

_____	_____	_____	_____
Agent Name Printed	Agent Signature	Date	Agent Telephone Number
_____	_____	_____	
Employee's Name Printed	Employee's Signature	Date	

CIS041509R

Employer Use Only
Approved by _____
Date _____

403(b), 403(b)(7) or 457 PLAN MAXIMUM ANNUAL CONTRIBUTION WORKSHEET

EMPLOYER NAME _____ Work Location _____

To determine the **Annual 403(b), 403(b), and/or 457 Maximum Contribution** enter the appropriate information below:

1. Enter your gross annual salary\$ _____

2. **Basic Limit (lesser of Line 1 or basic maximum limit below)**

	<u>Year</u>	<u>Basic Maximum Limit</u>	<u>Educators with 15+ Years With Current Employer (402g limit)</u>
A.	2015	\$18,000	\$21,000
B.	2016	\$18,000	\$21,000
C.	2017	\$18,000	\$21,000

3. **Catch up provision for persons Age 50 and older**

	<u>Year</u>	<u>Basic Limit</u>	<u>Additional Amount</u>	<u>Total Annual Maximum Age 50 and Over</u>	<u>Educators Age 50+ with 15+ years Current Employer (402g Limit)</u>
A.	2015	\$18,000	\$5,500	\$23,000	\$26,000
B.	2016	\$18,000	\$6,000	\$24,000	\$27,000
C.	2017	\$18,000	\$6,000	\$24,000	\$27,000

4. **Maximum Annual Contribution must be lesser of Line 1, Line 2 or Line 3 (age 50 and over). The lifetime maximum 402g limit is \$15,000. Excess contributions may incur tax penalties.**

<u>Year</u>	<u>Annual Maximum Contribution</u>	<u>Monthly Contribution</u>
2015 (Enter amount you qualify for from Line 1, 2A or 3A)	_____	_____
2016 (Enter amount you qualify for from Line 1, 2B or 3B)	_____	_____
2017 (Enter amount you qualify for from Line 1, 2C or 3C)	_____	_____

Employee Name (Printed or Typed) Age Date of Birth

Signature Date

Agent/Representative Signature Company Date

All calculations on this worksheet constitute the maximum that may be contributed to the aggregate of all 403(b) plans as of 01/01/12. Current amounts reflected may be subject to future legislative change and/or IRS interpretations. All calculations on this worksheet are based on the information provided by you, the Client. This form should not be construed as legal or tax advice. You should consult your tax professional or tax attorney if you have any questions. Maximum Annual Contribution limits 01/01/15 – 12/31/15.