

## 403(b) Plan Salary Reduction Agreement

### INSTRUCTIONS

1. Review the [Human Resources website](#) for information on approved vendors (under Staff, Human Resources, then Staff Benefits).
2. Complete this form if you want to begin, change, or terminate your contributions to your 403(b) plan.
3. Submit this form to the Human Resources department by the [1<sup>st</sup>] of the month in which the change is to be effective. Any changes will occur within the next two (2) payroll periods.
4. Review, SIGN and DATE the form. (page 2)
5. Email the completed form to [amy.eaton@wayne.k12.in.us](mailto:amy.eaton@wayne.k12.in.us) or pony over to Amy Eaton at the Education Center.

### EMPLOYEE INFORMATION (Please print)

Name (Last) \_\_\_\_\_ (First) \_\_\_\_\_ (Middle Initial) \_\_\_\_\_ Employee ID Number \_\_\_\_\_

Date of Birth (mm/dd/yyyy) \_\_\_\_\_ Department/School \_\_\_\_\_ Last 4 Digits of SSN \_\_\_\_\_

### ENROLLMENT TYPE

- New Enrollment  
 Change in Enrollment  
 Terminate Enrollment

Effective Date: \_\_\_\_\_

You may select a maximum of two (2) vendors to receive equal shares of the above contribution amount.

- ASpire (Coffman Wealth Mgmt)  
 Valic

I request the following total salary reduction per paycheck into:

- 403(b) Plan \$ \_\_\_\_\_  
 Roth 403(b) Plan \$ \_\_\_\_\_

**NOTE:** If you contributed to another tax-deferred retirement plan for the current calendar year, you will need to consider those contributions when calculating IRS calendar year limits.

For calendar year maximums, refer to [IRS publications](#).

### ACKNOWLEDGEMENT

I understand and agree to the following:

- a) Only eligible employees can participate in and contribute to the 403(b) plan. I am completing and submitting this signed form to allow elective deferrals from my paychecks. These are contributions made under a salary reduction agreement and this Agreement allows the Employer to withhold money from the Employee's paycheck and to be contributed directly into a 403(b) account for the Employee's benefit.
- b) Generally, contributions to 403(b) accounts (except Roth contributions) are not reported on the Employee's tax return. The Employer will report contributions according to IRS instructions (i.e. on Form W-2).
- c) Generally, a distribution, transfer, exchange, or rollover can't be made from a 403(b) account unless allowed under the plan documents and until the Employee meets the criteria outlined in the plan documents.
- d) If permitted by the plan documents, Employees may request to exchange, transfer, or roll over part or all of the Employee's interest from a 403(b) vendor to another 403(b) vendor approved by the Employer. Both the initial plan and the receiving plan must allow and provide for

transfers. Your accumulated benefit after the transfer must be at least equal to what it was before the transfer. The new vendor's restrictions on distributions must be the same or stricter than those of the original plan.

- e) This Agreement is legally binding and irrevocable for both the Employer and the Employee during the plan year with respect to amounts earned while this Agreement is in effect. However, either party may terminate this Agreement by resubmitting this form by the 1st of the month in which the change is to be effective. The Agreement will not apply to salary earned after the Agreement is terminated.
- f) A completed fund sponsor application(s) selected by the Employee must be attached to this form or on file before this Agreement is effective. If the HR Department does not have the correct application(s) or if a dollar amount or a percentage of salary totaling 100% is not given for the salary reduction agreement contribution(s), or if this form is not signed by the Employee, this form will not be processed by the HR Department.
- g) The amount of the salary reduction shall be per pay period, which will produce a total contribution that does not exceed the Employee's maximum statutory exclusion allowance under IRC Section 403(b), the limitations of IRC Section 415, or the limitations of IRC Section 402(g), whichever is least.
- h) If the Employee contributed to a 401(k) or a 403(b) plan during the current calendar year with a previous employer, it is the Employee's responsibility to inform HR Department to ensure the Employee does not exceed the maximum statutory exclusion allowance. Failure to do so may result in adverse tax consequences to the Employee.
- i) Includable compensation for use (1) in calculating maximums, and (2) in determining percentage salary reductions on the first page of this Agreement is defined in the plan documents and the latest collective bargaining agreement.
- j) This Agreement continues year-to-year, unless otherwise terminated or modified during the plan year, and except as allowed by the IRS for annual catch-up calculations.
- k) Percentage reduction agreements will automatically result in a salary reduction change or modification if the eligible wage payment changes. Dollar amount reduction agreements will not change during the plan year (except if the wage payment amount drops below the salary reduction amount).
- l) Percentage reduction and dollar amount reduction may not be selected simultaneously on the first page of this Agreement.
- m) The decision to participate in the Fund Sponsor(s) and fund(s) selected for investment purposes is the Employee's own choice and is not a result of Employer endorsement, sponsorship, recommendation, advice, or solicitations of participation. I understand the Employer does not represent or warrant the success or appropriateness of any Fund Sponsor, investment choice, or the tax consequences and/or tax-deferred status of the fund(s). Investing involves market risk, including possible loss of principal, and there is no guarantee that investment objectives will be achieved. EMPLOYER AND ITS PERSONNEL DO NOT PROVIDE TAX, LEGAL OR ACCOUNTING ADVICE. ANY MATERIAL HAS BEEN PREPARED FOR INFORMATIONAL PURPOSES ONLY, AND IS NOT INTENDED TO PROVIDE, AND SHOULD NOT BE RELIED ON FOR, TAX, LEGAL OR ACCOUNTING ADVICE. EMPLOYEES SHOULD CONSULT THEIR OWN TAX, LEGAL AND ACCOUNTING ADVISORS BEFORE ENGAGING IN ANY TRANSACTION. INVESTMENT AND INSURANCE PRODUCTS ARE: NOT FDIC INSURED, NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY, NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY EMPLOYER, AND SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED
- n) The Employee has read and considered the available information regarding the selected Fund Sponsor(s) and am aware of the expenses, fees, and restrictions imposed on this type of fund(s) and the consequences of continued participation and/or withdrawal.
- o) This agreement revokes any previously signed agreement related to the 403(b) plan.
- p) The Employee understands if HR Department does not receive the required forms and documents, the request may be returned/delayed. No retroactive adjustments can or will be made.
- q) When the CFO makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Agreement, this Agreement shall be canceled. A determination by the CFO that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.
- r) The Employee agrees to indemnify, defend, and hold harmless the Employer, its board, representatives, agents, and employees from all losses, damages, claims, and suits including taxes, penalties, interest, legal costs, attorney's fees, and other expenses caused by any act or omission of the Employer, Employee, or the Fund Sponsors in the performance of this Agreement. The Employer will in good faith perform its required obligations hereunder, but does not agree to pay any penalties, liquidated damages, interest or attorney's fees, except as permitted by Indiana law.

**AUTHORIZATION and SIGNATURE**

By my signature below, I agree that for amounts paid after the date this Agreement is effective, my salary will be reduced by the Percentage or Dollar Amount elected herein. I have allocated among funding sponsors listed on this Agreement and I have reviewed, understand and agree to the provisions listed under the Acknowledgment section and the Fund Sponsor allocation section of this Agreement.

Employee's Signature

Date

**Annuity Company Signature (for new accounts only):**