



Fax: (512) 261-6975

## Salary Reduction Agreement for 403(b) Programs

Employer Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

### Part 1. Employee Information

Name \_\_\_\_\_ Social Security / Tax ID # \_\_\_\_\_ Date of Birth \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

### Part 2. Contribution Information *(Fill in all that apply)*

- Initiate new salary reduction:** Please deduct the amount of \$ \_\_\_\_\_ or \_\_\_\_\_ % per pay.
- Change salary reduction:** This is notification to change the amount of my TSA salary reduction from \$ \_\_\_\_\_ or \_\_\_\_\_ % to \$ \_\_\_\_\_ or \_\_\_\_\_ %
- Change Service Provider:** This is notification to change my Service Provider *(indicate amounts in Part 3)* from \_\_\_\_\_ to \_\_\_\_\_.
- Discontinue salary reduction:** Please discontinue my TSA salary reduction with the following Service Provider: \_\_\_\_\_
- Employee is utilizing Catch-up Provision:**  
 I am contributing more than the basic limit of: \$14,000 in 2005 or \$15,000 in 2006 due to the use of catch up option as indicated below.
  - I am contributing an additional amount under the age 50+ catch up election.  
 \_\_\_ \$4,000 in 2005 \_\_\_ \$5,000 in 2006  
 \_\_\_ I certify that I am age 50 or older at the end of the current year. Age at end of Current tax year \_\_\_\_\_
  - I am contributing \$ \_\_\_\_\_ (Maximum \$3,000) under the 15-year service increased limit.

Effective Date of this Agreement \_\_\_\_\_ (Your employer's administrative policies will determine when new salary reduction instructions are implemented.)

### Part 3. Service Provider

**\$ Amount of Compensation  
Per Reduction**

**Service Provider and Address for Remittance**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

### Part 4. Agreement

By signing this Agreement, Employee agrees to modify his/her salary as indicated above and Employer agrees to contribute this amount on Employee's behalf into the 403(b) annuity(ies) or custodial account(s) selected by Employee. It is intended that the requirements of all applicable state and federal tax rules and regulations (Applicable Law) will be met. The employee understands and agrees that this Agreement:

1. Is legally binding and irrevocable with respect to amounts paid or available while it is in effect;
2. May be terminated at any time for amounts not yet paid or available, and that a termination request permanent and remains in effect until a new salary reduction agreement is submitted.
3. Is effective only for amounts not yet earned or made available in accordance with the Employer's administrative procedures.

**Part 4. Agreement (continued)**

Employee further agrees that:

He/she is responsible for determining that his/her salary reduction amount does not exceed the limits of Applicable Law.

He/She is responsible for the accuracy of the information provided by Employee, which is used in determining Employee’s maximum annual contribution limit; and

Employer has no liability for any losses suffered by Employee that result from his/her participation in the 403(b) program.

Employee acknowledges that Employer has made no representation to Employee regarding the advisability, appropriateness or tax consequences of the purchase of the 403(b) program. Nothing herein shall affect the terms of employment between Employer and Employee.

This agreement supersedes all prior arrangements and shall automatically terminate if your employment with the Employer is terminated.

**Important Information**

1. Employer does not choose the annuity contract(s) or custodial account(s) in which contributions are invested.
2. Employees are responsible for setting up and signing the legal documents to establish the annuity contract or custodial account. However, in certain group annuity contracts, Employer may be 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 the 403(b) program. This is normally done at the time of the annuity contract is established. Beneficiary designations should be reviewed periodically.
5. Employees are responsible for all distributions and any other transactions with their service provider. All rights under the annuity contracts or custodial accounts are enforceable solely by Employee, Employee beneficiary or Employee’s authorized representative. Employee must work directly with the service provider to transfer contract(s) or custodial account(s) to another service provider, begin distributions, make loans, or otherwise access 403(b) program assets.
6. Employees are responsible for determining that salary reductions do not exceed the allowable contribution limits under Applicable Law. References herein to elective deferral limits are based on the 2005 limit. Limits should be checked each year for the scheduled increases through 2006; after which they will be indexed in \$500 increments.

**Read Before You Sign:**

By signing this Agreement, you are declaring that the amount you have elected to have withheld is no greater the 100% of your includible compensation and, excluding a catch up election, is equal to or less than the basic limit as indicated in Part 2 of this Agreement. Includible compensation is your gross compensation less any mandatory pre-tax deductions. If selected in Part 2, you are declaring that you are eligible for one or both catch up elections as indicated, and you are accepting full responsibility for the amount you have withheld from your salary and contributed to a 403(b) arrangement.

**Part 5. Employee Signature**

I certify that I have read this complete Agreement and that my salary reductions do not exceed contribution limits as determined by Applicable Law. I also certify that I am eligible for the catch up election(s), if selected, under Part 2 above. I understand my responsibilities as an Employee under the 403(b) program, and I request Employer to take action specified in this Agreement. I understand that all rights under annuity(ies) or custodial accounts established by me under the 403(b) program are enforceable solely by my beneficiary, my authorized representative or me.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**Part 6. Acknowledgement and Representation of Sales Agent/Representative**

I hereby acknowledge my responsibility to comply with Employer’s written directives regarding solicitation of Employees. I also acknowledge my responsibility to assist the Employee in determining the maximum contribution limits.

\_\_\_\_\_  
Sales Agent / Representative Name (Please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Phone

**Part 7. Employer Signature**

Employer hereby agrees to this Salary Reduction Agreement.

\_\_\_\_\_  
Signature of Employer Representative

\_\_\_\_\_  
Date