

# Agreement for Salary Reduction Under Section 403(b)

By this agreement, made between

\_\_\_\_\_ (the Employee) and

\_\_\_\_\_ (the Institution), we agree as follows:

Effective for amounts paid on or after \_\_\_\_\_, \_\_\_\_\_, which date is subsequent to the execution of this Agreement, the Employee's salary will be reduced by the amount indicated below. As soon as administratively practicable, the Institution will contribute a corresponding amount to the Employee's annuity contracts (or custodial accounts), which the Employee will allocate among the funding vehicles approved by the Institution.

This Agreement shall be legally binding and irrevocable for both the Institution and the Employee while employment continues. However, either party may terminate or otherwise modify this Agreement as of the end of any month (or pay period, if applicable) by giving at least thirty days' written notice so that this Agreement will not apply to salary subsequently paid.

**The amount of the salary reduction shall be:** (check one)

- \_\_\_\_\_ % of gross annual salary  
or  \$ \_\_\_\_\_ per year  
or  The maximum amount allowed under law

With respect to the salary reduction amount indicated above, designate the percentage to be contributed to a Roth 403(b) account. This percentage must total 100%.

\_\_\_\_\_ % Roth elective deferrals

\_\_\_\_\_ % Pretax elective deferrals

Effective for Plan number \_\_\_\_\_

This amount will produce a total contribution that does not exceed the Employee's statutory limitation under IRC Section 415 or Section 402(g), whichever is less.

**For employees age 50 or older, an additional catch-up contribution shall be contributed as follows** (check one):

- \$ \_\_\_\_\_ per year  
or  The maximum amount allowed under law

This amount must not exceed the statutory limitation under IRC §414(v).

*Continued*



# Agreement for Salary Reduction Under Section 403(b)

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Employing Institution

By: \_\_\_\_\_  
Name (please print) Title

## Section 403(b) Agreement for Salary Reduction

Attached is the form necessary to begin or change your contributions to your 403(b) annuity (or custodial accounts).

This form allows you to indicate how much you would like to contribute to your 403(b) account annually by choosing one of the following three options:

### Percentage Per Pay Period

This amount will be a percentage of your salary per pay period. Contributions will remain the same unless your salary is adjusted.

### Annual Dollar Amount

This option allows you to state a specific annual dollar amount. The amount that you elect for the year will be divided equally by the remaining number of pay periods left in the year.

### Maximum Amount

This option allows you to contribute the maximum salary deferral amount allowed by the Internal Revenue Service for the year.

### Catch-up Election for Associates Age 50 or Older

If you will be age 50 or older this year, you may make an additional contribution. In order to elect this contribution, you must also elect to make the maximum salary deferral allowed.

### Designated Roth 403(b) Contributions

You must choose between pretax elective deferrals and after-tax Roth contributions. You may choose either or both, but your election must equal 100%. If you fail to elect to contribute to Roth or your election does not total 100%, your entire contribution will be contributed on a pretax basis.