

403(b)(1) and 403(b)(7) Programs Salary Reduction Agreement for Thompson School District

Important Notice

Read the important information on this form before you sign.

Part 1 - Employee Information:

Employee Name

Employee Social Security Number

Address City State Zip Code

Part 2 - Contribution Information

Reduce my gross salary _____% per month.
(Deductions may be made in whole %'s only)

My 403(b) Provider is _____.

Part 3. Agreement

The above named Employee agrees to modify his/her salary as indicated above. Employer agrees to remit this amount on Employee's behalf into the annuity or custodial account selected by Employee from the approved Service Providers of the Employer. 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; and

2) that the employee may enter into only one Salary Reduction agreement for 403(b) contributions; and

3) 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

4) this Salary Reduction Agreement may be changed with respect to amounts not yet paid and available in

accordance with the Employer's administrative procedures; and

5) that the annuity or custodial contract with the 403(b) provider is "non-transferable"; and

6) that any "loan" or "distribution" the employee may receive from the 403(b) provider be reported immediately to the Executive Director of Business Services of Thompson School District.

Employee is responsible for determining that the salary reduction amount does not exceed the limits as set forth in Applicable Law. Furthermore, Employee agrees to indemnify and hold the Employer harmless against any and all actions, claims and demands whatsoever that may arise from the purchase of annuities and custodial accounts for Employees in amounts in excess of contribution limits as defined under Applicable Law *except* where the calculations in support of the eligible contribution limits were calculated by Service Provider based on *accurate information provided by Employee.*

Employee acknowledges that the Employer has made no representation to Employee regarding the advisability, appropriateness or tax consequences of the purchase of the annuity(ies) and/or custodial(s) 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 and signatures required on next page)

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 their requirements of Section 403(b) or 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 *with the single exception of distributions that are required by the Internal Revenue Service as a condition of an IRS audit that results in a negotiated closing agreement, or the Employer's utilization of any IRS Correction Program.* All rights under contracts or accounts are enforceable solely by the Employee, Employee beneficiary, or Employee's authorization representative. Employee must deal directly with Service Provider to make loans, transfer to different contracts or custodial accounts, or 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, and, as a result, are encouraged to have calculations performed by the chosen Service Provider(s).

Part 4. 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 understand my responsibilities as an Employee who has voluntarily elected to participate in the Employer's 403(b) program. I request that Employer take the action specified in the 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.

Employee Signature

Date

Part 5. Acknowledgment and Representation of Sales Agent/Representative

I agree to comply with all pertinent written directives regarding the solicitation of Employees, and further agree to provide contribution calculations for each Employee who elects to utilize catch up contributions permitted by Thompson School District R2-J, or for each employee that I am aware of who participates in another IRC 402(g) elective deferral plan, or for whom employer contributions are made for this 403(b) program; provided the affected employees request that I do so.

I further agree to indemnify the Employer, any individual member of the governing board, and the Employee for whom calculations are done by me against any claims based on an error in the calculations that I provided, except when the error is due to erroneous or incomplete information provided by the affected Employee or the Employer.

(Please Print)

Agent Name _____

Phone Number _____

Address _____ State __ Zip Code _____

Signature _____ Date _____

Part 6. Employer Signature

Employer hereby agrees to the Salary Reduction Agreement.

Employer Signature _____

Title _____ Date _____