

Salary Reduction Agreement

(This sample form is provided as a courtesy only and should not in any way be construed as the offering of tax or legal advice.

Sponsor **MUST** consult with its tax and legal advisors before ANY use of this form.)

- ☐ Original Salary Reduction Agreement
☐ Change (Supercedes any prior agreement, if in accordance with Part III below)

Agreement	This Agreement is made between _____ (Participant) and _____ (Employer) in conjunction with the 403(b) Tax Deferred Annuity Program (403(b) Program) established and maintained by the Employer.		
Part I	The Participant agrees to have compensation, as described in Part III below, which would otherwise be paid to the Participant reduced by (elect one) \$ _____ or _____ % each pay period. The Employer agrees to contribute amounts subject to this Agreement to a nontransferable annuity contract purchased from _____ to provide retirement benefits for the Participant. The annuity contract must comply with all requirements of Section 403(b) of the Internal Revenue Code. The Employer agrees to remit salary reduction amounts to _____ on a _____ basis (insert monthly, quarterly, or other frequency that meets applicable regulatory requirements. Please note that, ERISA 403(b) Tax Deferred Annuity Programs are subject to a Department of Labor requirement that Participant contributions are remitted to the plan's investment vehicle by the earlier of (1) 15 business days following the close of the month, or (2) the date by which these monies are segregable from the employer's general assets.)		
Part II	Does this program provide for the Older Worker Catchup Provision allowed under Internal Revenue Code Section 414(v)? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Part III	This Agreement applies only to compensation paid on or after _____ (which date must be after the execution of this Agreement). This Agreement will not apply to compensation paid after the date this Agreement is executed, but made available before such date. The Employer agrees to begin reducing the Participant's compensation as soon as administratively feasible. This Agreement is irrevocable with respect to compensation paid while the Agreement is in effect and shall supersede any prior salary reduction agreement executed between the Participant and the Employer under the Employer's 403(b) Program. This Agreement will automatically terminate if the Participant terminates employment with the Employer or the Employer discontinues the 403(b) Program.		
Part IV	Either party may change or terminate this Agreement so that it will not apply to compensation subsequently paid by giving at least thirty (30) days written notice of the date of change or termination. (Optional: The Participant may enter into an Agreement, including a change to an Agreement, only _____ time(s) during a taxable year.)		
Part V	The Participant releases all rights, present and future, to receive from the Employer payment of amounts subject to this Agreement, except the right of the Participant's estate, upon the death of the Participant, to receive salary reduction amounts deducted from the Participant's eligible compensation, but which have not been transmitted to _____. The Participant is solely responsible for determining that the salary reduction amount does not exceed the limits set forth in sections 402(g), 414(v) and 415 of the Internal Revenue Code of 1986, as amended. No provision of this Agreement shall affect the right of the Employer to discharge the Participant, with or without cause, nor shall the Agreement affect the terms and conditions of any contract of employment between the parties, except as provided herein. By signing this form the Participant certifies that the information provided is complete and accurate.		
Signatures	In Witness Whereof, this Agreement has been executed by and on behalf of the parties this _____ day of _____, _____.		
	Employee	Date of Birth (mm/dd/yyyy)	Social Security No.
	Employer	Title	