

COLTON SCHOOL DISTRICT #53
AGREEMENT FOR SALARY REDUCTION
(for purchase of tax sheltered annuity only)

Name _____ Employee No. _____
____New _____Revised _____Termination Effective Date _____

NOTICE TO EMPLOYEES

1. Federal laws govern the exclusion allowance by which you can have your salary reduced and the terms under which you can enter and terminate tax deferred annuity agreements. It is your responsibility to determine the legality of your TSA contributions.
2. This agreement must be received by the Fiscal Services Department prior to the first day of a given month to be effective on the payroll for that month.
3. Notice to terminate this agreement must be received by the Fiscal Services Department no later than the last working day of the month prior to the month the termination is to become effective.

By this agreement hereby made, the Employee and Colton School District (hereinafter referred to as ADistrict@) agree as follows:

In accordance with provisions of state and federal laws, the undersigned Employee of the District hereby authorizes, effective _____, with respect to amounts earned thereafter, that his/her salary per pay period will be reduced by the amount indicated below. The District shall apply this amount to purchase a retirement annuity from the annuity company designated below, for the purpose of qualifying under the provisions and securing the benefits of Section 403(b) of the Internal Revenue Code.

The undersigned Employee hereby releases any and all rights, present and future, to receive from the District the payment of sums resulting from such salary reduction in any other form except:

1. The right of the Employee=s estate to receipt of sums so paid upon his/her death; or
2. The right of the Employee, upon termination of employment by reason other than death, personally to receive all or any part of the amount specified for which services have been rendered, but which has not been transmitted to the annuity company.

This agreement shall be legally binding and irrevocable as long as full-time employment continues. However, the District or the undersigned Employee may terminate this agreement on thirty (30) days written notice so that it will not apply to salary earned subsequent to said termination. Not more than one agreement for such salary reduction may be in existence during any taxable year of the undersigned Employee, except to the extent otherwise permitted under Section 403(b) of the Internal Revenue Code, as amended.

The Employee agrees that the District does not sponsor, guarantee, or otherwise approve or recommend any tax sheltered annuity, insurance company, agent, or broker, and that the validity or usefulness for tax purposes, or otherwise, of any tax sheltered annuity must be determined by the Employee. The District, in providing the tax sheltered annuity plan, assumes no liability whatsoever beyond that required to maintain the qualification of the plan under the provision of Section 403(b). Notwithstanding the foregoing paragraph, the Employee for himself/herself, spouse, heirs, administrators, executors, and assignees, releases and shall hold harmless and indemnify the Board, the District, and its officers and employees from any claim or demand, including those based on the negligence of the Board, the District, and its officers and employees arising from his/her purchase of any tax sheltered annuity. The Employee, at his own cost and risk, shall defend any legal proceedings that may be brought against the Board, the

District, their officers and employees, on any such claim or demand and satisfy any judgment that may be rendered against any of them.

The Employee agrees that the salary reduction is not to be in excess of the statutory exclusion allowances under the Internal Revenue Code.

Contributions in excess of the IRS annual limit for additional Aelective deferrals@ under the IRS Code will require supporting calculations.

TSA Company Name _____

Contribution Amount Per Pay Period _____

OR

Contribution Percent Per Pay Period _____

I certify that I have read the complete agreement and that my TSA contributions do not exceed contribution limits as determined by Section 403(b) of the Internal Revenue Service Code and related amendments.

Signature _____ Date _____

Employee Number _____

Colton School District
By _____ Superintendent
Date _____
Fiscal Services Director _____

The undersigned Employer acknowledges receipt of the above request and hereby agrees to the terms and conditions thereof.
