

Salary Reduction Agreement for 403(b)/457(b) Plans

Chittenden Central Supervisory Union, 51 Park Street, Essex Jct., VT 05452

Employing District: (check all that apply) CCSU Essex Jct. S.D. Essex Comm. Ed. Ctr. USD #46 Westford S.D.

Part 1: Employee Information

Name (please print):

SS#:

Part 2: Agreement

The above named Employee ("Employee") elects to become a participant of the Employer's 403(b)/457(b) Plan and agrees to be bound by all the terms and conditions of the plan. By executing this agreement, Employee authorizes Employer to reduce his or her compensation and have that amount contributed as a pre-tax elective deferral to the 403(b)/457(b) Plan, on his or her behalf into the annuity or custodial accounts as selected by Employee. It is understood that the requirements of all applicable state or federal income tax rules and regulations (Applicable Law) will be met by respective parties. 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;
2. This Salary Reduction Agreement may be terminated at any time for amounts not yet paid or available, and a termination request is permanent and remains in effect until a new Salary Reduction Agreement is submitted; and
3. This Salary Reduction Agreement may be changed with respect to amounts not yet paid or available in accordance with Employer's administrative procedures.
4. Employee is responsible for providing the necessary information at the time of initial enrollment and later if there are any changes in any information necessary or advisable for Employer to administer the plan. Employee is responsible for determining that the salary reduction amount does not exceed the limits set forth in Applicable Law.
5. Furthermore, Employee agrees to indemnify and hold Employer harmless against any and all actions, claims, and demands whatsoever that may arise from the purchase of annuities or custodial accounts. Employee acknowledges that Employer has made no representation to Employee regarding the advisability, appropriateness, or tax consequences of the purchase of the annuity and/or custodial 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. 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.
6. Employee is responsible for setting up and signing the legal documents to establish an annuity contract or custodial account. However, in certain group annuity contracts, Employer is required to establish the contract.
7. Employee is responsible for naming a death beneficiary under annuity contracts or custodial accounts. Employee acknowledges that this is normally done at the time the contract or account is established and reviewed periodically by the Employee.
8. Employee is responsible for all distributions and any other transactions with the investment provider. All rights under contracts or accounts are enforceable solely by Employee, Employee beneficiary, or Employee's authorized representative. Employee must deal directly with the investment provider to make loans, transfers, begin regular distributions, or any other transactions.
9. Employee has the duty to review his/her pay records (e.g. pay stub) to confirm the Employer has properly implemented his/her salary reduction election. Furthermore, the Employee has a duty to inform the Plan Administrator if s/he discovers any discrepancy between his/her pay records and this Salary Reduction Agreement. The Employee understands the Plan Administrator will treat his/her failure to report any withholding errors for any payroll to which his/her Salary Reduction Agreement applies, by the cut-off date for the next following payroll, as his/her affirmation of the election to defer the amount actually withheld (including zero). However, the Employee may thereafter modify his/her deferral election prospectively, consistent with the Plan terms.

Part 3: Representation by Employee

A. Participation in other employer plans: (you must check only one)

- I do not and will not have any other elective deferrals, voluntary salary reduction contributions, or non-elective contributions with any other employer.
- I do participate in another employer's 403(b), 401(k), SIMPLE IRA/401(k), or Salary Reduction SEP. The following information pertains to all of my other employers for the current calendar year:
 Includible Earnings \$_____ ; Elective Deferrals and/or salary reduction contributions to a Roth 403(b) or Roth 401(k) plan \$_____ ; Non-elective Contributions \$_____.

I do participate in another employer's 457(b) plan. The following information pertains to all of my other employers for the current calendar year: Includible Earnings \$ _____; Elective Deferrals and/or salary reduction contributions to a 457(b) plan \$ _____; Non-elective Contributions \$ _____.

B. Hardship Distributions: (you must check only one)

- I have **not** received a Hardship Distribution from a 403(b), 401(k), SIMPLE IRA/401(k), 457(b) or Salary Reduction SEP within the last six months.
- I **have** received a Hardship Distribution from a 403(b), 401(k), SIMPLE IRA/401(k), 457(b) or Salary Reduction SEP within the last six months. Please indicate date Hardship Distribution was received: ___/___/___.

C. Maximum Elective Deferral for 403(b)/457(b) salary reduction contribution: (you must check only one)

- My elective deferral/salary reduction contribution does not exceed the Basic Limit. The Basic Limit amounts can be found on the CCSU website at www.ccsuvt.org.
- My elective deferral exceeds the Basic Limit by no more than the additional "Age 50 Catch-up provision." The Age 50 Catch-up provision limits can be found on the CCSU website at www.ccsuvt.org.

Part 4: Voluntary Salary Reduction Information (Check all that apply)

403(b) Plan

- Initiate new 403(b) salary reduction*** – Effective (next available pay date on or after) ___/___/___ *please deduct the following amount (elective deferral) from each pay check (select one)
- _____% (must be in whole number or in 1/10th of a percent increments) - **Please refer to Requirements below**
- \$ _____ (must be a whole number flat dollar amount) - **Please refer to Requirements below**
- Change 403(b) salary reduction*** – Effective (next available pay date on or after) ___/___/___ * please change the deduction amount (elective deferral) from each pay check to the new amount listed below (select one):
- _____% (must be a whole number or in 1/10th of a percent increments) - **Please refer to Requirements below**
- \$ _____ from each pay check (must be a whole number flat dollar amount) - **Please refer to Requirements below**
- Discontinue 403(b) salary reduction** - Effective (next available pay date on or after) ___/___/___ *please discontinue my 403(b) elective deferral.
- Change 403(b) Funding Vehicle Provider** – Effective (next available pay date on or after) ___/___/___ *please change my 403(b) Service Provider to the VT State 403(b) Program

457(b) Plan

- Initiate new 457(b) salary reduction*** – Effective (next available pay date on or after) ___/___/___ * please deduct the following amount (elective deferral) from each pay check (select one)
- _____% (must be in whole number or in 1/10th of a percent increments) - **Please refer to Requirements below**
- \$ _____ (must be a whole number flat dollar amount) - **Please refer to Requirements below**
- Change 457(b) salary reduction*** – Effective (next available pay date on or after) ___/___/___ *please change the deduction amount (elective deferral) from each pay check to the new amount listed below (select one):
- _____% (must be a whole number or in 1/10th of a percent increments) - **Please refer to Requirements below**
- \$ _____ from each pay check (must be a whole number flat dollar amount) - **Please refer to Requirements below**
- Discontinue 457(b) salary reduction** - Effective (next available pay date on or after) ___/___/___ *please discontinue my 457(b) elective deferral.

Requirements

- Hourly paid personnel, substitutes, "as needed" employees, and employees eligible for employer matching contributions **must** select the % of each paycheck option.
- Teachers and licensed School Administrators **must** select the flat \$ amount per paycheck option.

* NOTE: The completed Salary Reduction Agreement must be delivered at least 5 business days prior to the payroll cut-off date for the effective date indicated above.

Part 5. Employee Signature

I certify that I have read this complete Agreement and provided the information necessary for Employer to administer the Plan and that my salary reductions will not exceed the elective deferral or contribution limits as determined by Applicable Law. I understand my responsibilities as an Employee under this Plan, and I request that Employer take the action specified in this Agreement. I understand that all rights under the annuity or custodial account established by me under the Plan are enforceable solely by my beneficiary, my authorized representative or me.

Employee Signature: _____

Date: _____