

## SALARY REDUCTION AGREEMENT

THIS SALARY REDUCTION AGREEMENT supplements the employment contract between

DUBLIN CITY SCHOOLS hereinafter referred to as the "Employer" and \_\_\_\_\_  
(employee)

\_\_\_\_\_ hereinafter referred to as the "Employee".  
(social security number)

WHEREAS, the Employee wishes to obtain the benefits of Section 403(b) of the Internal Revenue Code (IRC) of 1986, as amended, by purchasing a qualified annuity/custodial account; and

WHEREAS, the Employer wishes to have the Employee receive these benefits,

NOW THEREFORE, in consideration of the mutual promises and conditions appearing below, IT IS AGREED

1. That the annual rate of salary otherwise payable to the employee be reduced by (not less than \$25 per pay) \$\_\_\_\_\_00 per pay beginning \_\_\_\_\_ 20\_\_\_\_ and thereafter notwithstanding anything to the contrary heretofore contracted by the parties to this agreement. The representative and the employee acknowledge that the total annual contribution will therefore be \$\_\_\_\_\_00 (annually). Employee acknowledges that the reduction is subject to annual recalculation and further subject to the rules and regulations of IRS limitations.
2. That the Employee will apply the amount of the salary reduction described in paragraph 1 to the purchase of a nonforfeitable annuity contract for the Employee from \_\_\_\_\_  
(name of company/custodian)
3. That it is understood and agreed between the Employer and the Employee that such annuity is to be purchased at the request of the Employee. Said purchase will be subject to compliance with any policies and procedures adopted by the Employer and that the Employee hereby accepts the rules and procedures, and that the Employer neither guarantees such annuity nor warrants adopted payroll procedures respecting same.
4. That this agreement is legally binding and irrevocable with respect to amounts earned while it is in effect.
5. That any other salary reduction agreements and amounts thereunder pursuant to Internal Revenue Code Sections 401, 403 or 457 with which the employee may be a participant of, as a result of other employment, has been considered in reaching this contribution limit and that the employee has requested of the company or custodian listed above on item labeled "2." to perform and provide the employee and the employer a copy of the results of the MAXIMUM EXCLUSION ALLOWANCE. The employee understands that if currently or at any other time they participate in a 457 deferred compensation plan that all limitations, including 457 and 403(b), will not exceed \$10,500.00 per year.
6. That the Employee releases all rights, present and future, to receive any or all the amounts to be used by the Employer as premium payments in any other form.
7. That no provision of this agreement shall affect the Employer's right to discharge the Employee, with or without cause.
8. That each party to the agreement expressly reserves the right to terminate said agreement upon giving 30 days written notice to the other party.
9. The Employee acknowledges that if his or her contributions to Code Section 403(b) tax-sheltered annuities or custodial accounts, exceed the IRC Limits, the excess is currently treated as taxable income and may be subject to additional income taxes, employment taxes, excise taxes, penalties or interest.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Employer and Position

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Signature of Representative (company/agent)

Return original to Dublin City Schools