

# Molalla River School District 35 403(b) Tax Sheltered Annuity (TSA) Program

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Middle Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Social Security Number

**Implementation:** This Salary Reduction Agreement supersedes any previous Salary Reduction Agreement of the person named above (the "Employee") under the Tax Sheltered Annuity Program (the "Program") offered by Molalla River School District 35 (the "District").

**1. Specify the calendar month in which this agreement is to become effective: \_\_\_\_/\_\_\_\_/\_\_\_\_**

This completed salary reduction agreement must be received by the District Payroll Department by the *last day of a calendar month to be effective the first day of the following calendar month.*

**2. Select all of the following that apply and then complete section 3 below:**

- Initiate/Start a Very First Salary Reduction Agreement with the District
- Replace/Override a Previous Salary Reduction Agreement with the District
- Discontinue/Cancel an Existing Salary Reduction Agreement

**3. Distribution among vendors:**

If selecting a new vendor, you must provide documentation of an established vendor account (e.g., an account number).

|              | Vendor Name | Account Number | Monthly Amounts |
|--------------|-------------|----------------|-----------------|
| 1            |             |                |                 |
| 2            |             |                |                 |
| 3            |             |                |                 |
| <b>Total</b> |             |                |                 |

**Agent Information:**

**Name:** \_\_\_\_\_ **Phone:** \_\_\_\_\_  
**Address:** \_\_\_\_\_ **City:** \_\_\_\_\_  
**State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**4. Please read the information on page 2 of this form carefully before signing below.**

**Employee Certification and Signature**

I certify that I have read this complete agreement, including the terms on page 2 of this form, and understand my responsibilities as an Employee under this program. I request that the District take the actions specified in this agreement. I understand that all rights under the annuities or custodial accounts established by me under this Program are enforceable solely by my beneficiaries, my authorized representative, or me. I understand that an incomplete form will be returned to me and will not be effective.

**Employer Certification and Signature**

The District certifies that it will reduce Employee's salary and remit appropriate amounts to Service Providers as specified herein. It is understood that all rights under the annuities and custodial accounts established by Employee under this Program are enforceable solely by Employee, Employee's beneficiaries, or Employee's authorized representative.

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employer Signature

\_\_\_\_\_  
Date

# Salary Reduction Agreement For 403(b) Tax Sheltered Annuity (TSA) Program

## Important Notice

Molalla River School District 35 (the "District") offers a Tax Sheltered Annuity (TSA) plan to its employees as a benefit of employment. Section 403(b) of the Internal Revenue Code (IRC) authorizes this plan. Contributions cannot exceed limits imposed by IRC Sections 402(g), 403(b), and 415(c). Therefore, the District reserves the rights to reduce, suspend, and/or reinstate the contributions specified in this agreement at any time, to ensure compliance with all applicable IRC limitations. Moreover, the District reserves the right to reduce any specific contribution that would result in a net check amount smaller than that required in District administrative policies. Please read carefully the terms of this agreement as they appear below.

## Terms of this Agreement

By signing this Agreement, the Employee agrees to modify her/his salary as specified on the front side of this form. Also, by signing this Agreement, the District agrees to contribute the amounts specified to the designated Service Provider(s) on behalf of the Employee, subject to verification that the proposed contributions satisfy all applicable IRC limitations and subject to administrative policies regarding minimum net check amounts. Such amounts are to be allocated among the separate accounts of Service Provider(s) based upon allocation arrangements established and maintained directly between the Employee and Service Provider(s). 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.
2. This Salary Reduction Agreement may be terminated at any time for amounts not yet paid or available. A termination request is permanent and remains in effect until a new Salary Reduction Agreement is submitted. In the event of Salary Reduction Agreement termination, later re-election might not be available with the same Provider, due to low-participation (under 10 enrollees).
3. This Salary Reduction Agreement may be changed with respect to amounts not yet paid or available in accordance with the District's administrative procedures; and
4. The District reserves the rights to reduce, suspend, and/or reinstate salary reduction contributions so as to assure that all applicable IRC limitations are satisfied in any given calendar year to which this agreement applies and to assure that administrative policies regarding minimum net check amounts are satisfied.

Employee acknowledges that the District has made no representation to Employee regarding the advisability, appropriateness, or tax consequences of the purchase of any annuity and/or custodial account available from any Service Provider. Employee agrees that the District shall have no liability whatsoever for any and all losses suffered by Employee with regard to her/his selection of annuities and/or custodial accounts; their terms; the selection of insurance or regulated investment companies; the financial condition, operation of, or benefits provided by, said insurance or regulated investment companies; or her/his selection and purchase of shares of regulated investment companies. Nothing herein shall affect the terms of employment between the District and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

The District does not choose the annuity contract or custodial account in which Employee contributions are invested. Employee is responsible for setting up and signing the legal documents to establish annuity contracts and custodial accounts. Employee is responsible for naming a death beneficiary under annuity contracts and custodial accounts. This is normally done at the time the contract or account is established. Beneficiary designations should be reviewed periodically. Employee is responsible for all distributions and any other transactions with Service Providers. All rights under contracts or accounts are enforceable solely by Employee, Employee's beneficiaries, or Employee's authorized representative. Employee must deal directly with Service Providers to make loans, transfer to different contracts and custodial accounts, begin distributions, or any other transactions.

Employee acknowledges that certain rules and regulations apply to contributions, distributions, hardship withdrawals, loans, and other transactions associated with 403(b) TSA accounts. Employee accepts full responsibility for meeting the terms of such rules and regulations. Detailed information is available on the District's section of the Carruth Compliance Consulting website ([www.ncompliance.com](http://www.ncompliance.com)), and should be reviewed by the Employee if a hardship withdrawal, a loan, or other similar transaction is contemplated. Finally, Employee acknowledges that an authorized representative of the District will sign this agreement only if all applicable District administrative procedures are satisfied.