

Salary Reduction Agreement

For the 457(b) Deferred Compensation Plan

Important Notice

The District offers a Deferred Compensation Plan (DCP) plan to its employees as a benefit of employment. IRC Section 457(b) of the Internal Revenue Code (IRC) authorizes this plan. Contributions cannot exceed limits imposed by IRC Section 457(b). 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, as well as the official Plan Document available on the web at www.ncompliance.com/client/oregoncity/ee-info/457-plan-document.pdf.

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 Vendor(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 Vendor(s) based upon allocation arrangements established and maintained directly between the Employee and Vendor(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, and a termination request is permanent and remains in effect until a new Salary Reduction Agreement is submitted;
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 participation in this plan. 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 Vendor(s), investment options offered by selected Vendor(s), or the financial condition, operation of, or benefits provided by, said Vendor. 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 investment options in which Employee contributions are invested. Employee is responsible for setting up and signing the legal documents required to establish "Plans and Agreements" with selected Vendor(s). Employee is responsible for naming a death beneficiary under such "Plans and Agreements." 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 Vendors. Employee must deal directly with Vendors to make loans, transfer to different Vendors, begin distributions, or any other transactions. Employee is responsible for designating a normal retirement age/date between her/his PERS normal retirement date and age 70½.

Employee acknowledges that certain rules and regulations apply to contributions, distributions, unforeseen emergency distributions, loans, and other transactions associated with 457(b) DCP accounts. Employee accepts full responsibility for meeting the terms of such rules and regulations. Detailed information is available from the District, and should be requested by the Employee if an unforeseen emergency distribution, a loan, or other similar transaction is contemplated. Both Employee and Employer understand that details of the Employee's participation in this Program are contained the District Plan Trust Declaration. Finally, Employee acknowledges that an authorized representative of the District will sign this agreement only if all applicable District administrative procedures are satisfied.