

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 49  
8 SCHOOL STREET  
FAIRFIELD MAINE 04937

SECTION 403(b) PLAN  
SALARY REDUCTION AGREEMENT  
IMPORTANT NOTICE

Before you sign: Read the important information on the reverse side of this form (page 2). Each Employee who initiates or changes contributions to a 403(b) program shall, at such time, provide the Employer with a copy of his/her Maximum Annual Contribution calculation (MAC) as calculated by the Employee's chosen annuity or custodial account provider or any other party acceptable to Employer **if** the annual contribution will exceed the IRS annual limit. For each Employee contributing more than the annual limit or the annual limit plus the age 50 catch-up (if applicable), a Maximum Annual Contribution calculation shall be required annually. A copy of such MAC or other acceptable calculation shall be provided to Employer by November 1 of each calendar year in which the special catch-up provisions (other than the Age 50 Catch Up) or "Special Catch-up Elections" are utilized.

Part 1 Employee Information

Name \_\_\_\_\_ Social Security # \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Sales Agent/Representative

Issued by \_\_\_\_\_ City State \_\_\_\_\_  
(TSA Co.)  
Agent \_\_\_\_\_ Phone \_\_\_\_\_

Part 2 Contribution Information (Select all that apply)

Initiate New Salary Reduction - Please deduct the amount of \$ \_\_\_\_\_ per pay.

Change Amount of Salary Reduction - This is notification to change the amount of my TSA salary reduction from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

Change Service Provider - This is notification to change my Service Provider from \_\_\_\_\_ to \_\_\_\_\_.

Discontinue Salary Reduction - Please discontinue my TSA salary reduction with the following:

Service Provider: \_\_\_\_\_ \$ \_\_\_\_\_.

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I understand that my contributions under this Plan are limited by the Internal Revenue Code.  
2019 Elective Deferral limit is \$18,000 Age 50+ Catch-up Contribution limit is \$6,000

Part 3 My Contributions:

- (1) Do not exceed the Annual 403b Elective Deferrals Limit or the Annual 403b Elective Deferral Limit plus the age 50+ catch-up, if applicable,
- (2) Do exceed the Annual 403b Elective Deferrals Limit or the Annual 403b Elective Deferral Limit plus the 50+ catch-up, if applicable. I have attached in writing the calculations that show that these "Special Catch-up Election" contributions are within limits for the Lifetime Catch-up provided by the IRS Code (Attach a Maximum Annual Contribution, or MAC calculation).

I understand that if I defer compensation in excess of the amount allowed under the Internal Revenue Code, I may be required to pay penalties on the excess amount deferred. I further understand that it is my responsibility to ensure that I do not contribute an amount greater than that permitted. I agree that should I be required to pay tax and/or penalties on account of contributions in excess of those allowable, I will not seek to hold my employer responsible for such tax or penalties.



### Part 3 Agreement

The above named Employee agrees to modify his/her salary as indicated above. Employer agrees to contribute this amount on Employee's behalf into the annuity or custodial accounts selected by Employee. It is intended that the requirements of all applicable state or federal income tax rules and regulations (Applicable Law) will be met. 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 that 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 the Employer's administrative procedures. Employee is responsible for determining that the salary reduction amount does not exceed the limits as set forth in Applicable Law. 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 for Employees in amount in excess of contribution limits as defined under Applicable Law except based on accurate information provided by Employee. 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; its terms; the selection of the insurance company or regulated investment company; the financial condition, operation of or benefits provided by said insurance companies. Nothing herein shall affect the terms of employment between Employer and Employee.

**Implementation Date:** Salary reduction instructions shall be implemented in accordance with Employer's administrative schedule.

### IMPORTANT INFORMATION

- (1) Employer does not choose the annuity contract or custodial account in which your contributions are invested.
- (2) Employees are responsible for setting up and signing the legal documents to establish your annuity contract or custodial account. However, in certain group annuity contracts, the Employee is required to establish the contract.
- (3) In order to receive the expected tax results, Employees are responsible for investing in annuity contracts or custodial accounts that meet the requirements of Section 403(b) of the Internal Revenue Code.
- (4) Employees are responsible for naming a death beneficiary under annuity contracts or custodial accounts. This is normally done at the time the contract or account is established. Beneficiary designations should be reviewed periodically.
- (5) Employees are responsible for all distributions and any other transactions with Service Providers. All rights under contracts or accounts are enforceable solely by Employees, Employee beneficiary or Employee's authorized representative. Employee must deal directly with Service Provider to make loans, transfer to different contracts or custodial accounts, begin distributions, or any other transactions.
- (6) Employees are responsible for determining that salary reductions do not exceed the allowable contribution limits under Applicable Law. You are strongly encouraged to have an annual maximum exclusion calculation performed by the chosen Service Provider.

### Part 4 Employee Signature

I certify that I have read this complete agreement and that my salary reductions do not exceed contribution limits as determined by Applicable Law. I understand my responsibilities as an Employee under this Program, 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 Program are enforceable solely by me, my beneficiary or my authorized representative. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

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

**SIGN HERE**

\_\_\_\_\_  
Date