



# NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT 203

Administrative Center | 203 West Hillside Road | Naperville, Illinois 60540-6589 | 630/420-6300 | FAX 630/420-1066

## Salary Reduction Agreement & Investment Selection Form

Name: \_\_\_\_\_ SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer: Naperville CUSD #203 Work Location: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

In Accordance with the provisions of the 403(b) Retirement Plan (403 (b) plan) and pursuant to the terms of this Agreement, I authorize my Employer to follow my instructions as indicated below: (Check all that apply)

- Enrollment** – I wish to begin contributing to the 403(b) plan (Please complete the “Salary Deferral” Election and “Investment Election” sections below.)
- Reaffirmation** – I wish to continue my participation in the 403(b) Plan. (Please complete the “Salary Deferral Election” and “Investment Election” sections below).
- Decline Participation** – I have been offered participation in the 403(b) Plan and I do not wish to participate in the 403(b) Plan at this time. (Please sign and date below)

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- Stop Salary Deferral Contributions** – Please stop my current salary deferral contributions. (Please sign and date below)
- Salary Deferral Change** – Please change my salary deferral to the amount selected the “Salary Deferral Election” section below
- Investment Election Set-up or Change** – Please set up or change my investment elections(s) to the elections(s) in the “investment Election” section below.

**Salary Deferral Election** – I wish to make pre-tax salary deferral contributions to the 403(b) Plan as follows: Enter an amount that does not exceed the lesser of (1) 100% of your compensation **OR** (2) the annual elective deferral limit in effect for the current year plus any additional “catch up” contributions. This election supersedes any previous salary reduction election made

*\*Provided payment is sufficient to cover the deferral amount*

\$ _____	*reduced from base compensation paid for one payroll period	\$ _____	*Reduced from special pay or bonus compensation	Date of receipt of Compensation: _____
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*\*Provided payment is sufficient to cover the deferral amount*

**Investment Election** – Please invest my future 403(b) Plan contributions with the vendor(s)/funding vehicles(s) and in the percentage increments listed below:

*Please list full and complete name of vendor/Funding Vehicle from list of those available for 403(b) plan.*

Vendor/Funding Vehicle Name (s)	Account/Policy #	Investment Percentages (in increments of 1% or more)
		%
		%
		%
Total Contributions		= 100%

**If you are setting up a new account, please attach a copy of the account application.**

The annual amount that you may contribute to the 403(b) Plan is further reduced by any additional contributions that you make to other employer (including self-employment) plan programs, such as SEP IRAs, SIMPLE IRAs, 401(k) plans and other 403(b) plans.

**Do/Did you contribute to any other retirement programs during this calendar year including any associated with your prior employer(s)?** (This does not include state teachers' retirement plans or Roth IRAs and Traditional IRAs)

Yes  No If yes, please enter the total amount contributed \$ \_\_\_\_\_

**Do/Did you participate in any catch up provisions/special elections with your current or former employer(s)?**

Yes  No If yes, please enter the total amount contributed \$ \_\_\_\_\_

I understand and agree that I am executing this Salary Reduction Agreement (the "Agreement") in consideration for the contributions made by the employer on my behalf of such salary deferral amounts elected in the Agreement and/or any employer contributions (if applicable to the 403(b) Retirement Plan, as adopted by the Employer and as amended from time to time pursuant to section 403(b) of the Internal Revenue Code of 1986 ("Code"), as amended (the "403(b) Plan"). I instruct the Employer to reduce my compensation by the salary deferral contribution amounts indicated in the Agreement for each payroll period beginning with the payroll date designated pursuant to the terms of the 403(b) Plan following the date of execution of the Agreement. I further instruct the Employer to remit any salary deferral contributions and/or employer contributions (if applicable to the vendor(s)/Funding vehicle(s) indicated in the "Investment Election" section of the Agreement for the purchase of annuity contract(s) and/or custodial account(s) owned by me.

I understand that I am responsible for completing all account applications and signing all documents with the vendor(s)/funding vehicles(s) that I have selected in the "Investment Elections" section of the Agreement in order to establish the annuity contract(s) and/or custodial account(s) in which my contributions will be invested under the 403(b) Plan. I understand and acknowledge that contributions may not be made to the 403(b) Plan on my behalf until I have taken all actions to set up such annuity contract(s) and or custodial account(s) under the 403(b) Plan.

I understand and agree that the Agreement applies only to eligible compensation received by me after the Agreement is in effect and is binding and irrevocable with respect to eligible compensation received by me while it is in effect. I understand and agree that eligible compensation for the taxable year, for purposes of determining employer contributions (if applicable), is limited to \$200,000, as adjusted in accordance with the Internal Revenue Service ("IRS") rules.

I understand and agree that a non-forfeitable annuity contract is to be purchased and/or custodial account is to be established at my request with the vendor(s)/funding vehicle(s) selected by me above under the 403(b) Plan. I understand and agree that the Employer does not guarantee such annuity and/or the investment performance of such custodial account, and I acknowledge that the Employer has made no representation to me regarding the advisability, appropriateness or tax consequences of the purchase of such annuity and/or custodial account. I agree that the Employer will have no liability whatsoever for any and all losses resulting from my selection of such annuity and /or custodial account. I agree to indemnify and hold the Employer harmless against any and all actions, claims and demands whatsoever that may arise from the purchase of such annuity and/or custodial account.

I understand and agree that all contributions made on my behalf to the 403(b) Plan are subject to the terms of the 403(b) Plan, and I agree to be bound by all the terms and conditions of the 403(b) Plan.

I understand and agree that the Agreement is legally binding and irrevocable with respect to amount paid while it is in effect. I understand and agree that I may terminate my salary deferral contributions authorized under the Agreement with respect to compensation not yet paid at any time between August 15 and June 15, by filing written notice with my Employer. I understand and agree that the Agreement supersedes and nullifies any Salary Reduction Agreement previously executed by me.

I understand that I may change my salary deferral contribution amount under the Agreement with respect to compensation not yet paid by execution of a new Salary Reduction Agreement, which will be effective beginning with the payroll date designated pursuant to the terms of the 403(b) Plan following the date of modification of the Agreement.

In the event that I have chosen to not make a salary deferral contribution to the 403(b) Plan at this time. I understand that I may elect at any time to make a salary deferral contribution to the 403(b) plan with respect to compensation not yet paid by execution of a new Salary Reduction Agreement, which will be effective beginning with the payroll date designated pursuant to the terms of the 403(b) Plan following the date of execution of such Agreement.

I understand that the Agreement may not: (1) permit an amount of contributions which will exceed the limitation on annual additions under Code section 415 or (2) permit an aggregate amount of salary deferral contributions under the 403(b) Plan which, when added to elective deferrals and/or Roth 403(b) and Roth 401(k) contributions made on my behalf for a taxable year to any other 403(b) Plan or any 401(k) plan or other plan which permits elective deferrals and/or Roth 403(b) or Roth 401(k) contributions, exceeds such limit as may be in effect for the year under Code section 402(g)(1). I understand and agree that my salary deferral contributions and/or employer contributions (if applicable) to the 403(b) Plan may be reduced in order to avoid exceeding any statutory limitation, and I authorize the vendor(s)/funding vehicles(s) that I have selected, to distribute to me or return to the employer (as applicable) any contributions, including applicable earnings, to the 403(b) Plan that are identified as excess contributions which may be distributed or otherwise corrected pursuant to the provisions of the Code and related regulations and guidance and to distribute to me any other required distribution, including, but not limited to required minimum distributions under Code section 401(a)(9) and involuntary distributions of small account balance to the extent permitted under the terms of the 403(b) Plan.

I understand and agree that I am responsible for determining that the amount of my annual salary deferral contributions does not exceed the limits on contributions noted in the previous paragraph. I also understand that the Employer will provide to me, upon my request, any available information that is necessary to enable me to make these determinations. I accept full responsibility for my salary deferral contribution amounts under the 403(b) Plan and hold harmless the Employer, and its delegates and any vendor/funding vehicle in the event an error in calculations has been made.

In order for Naperville CUSD #203 to properly administer the 403(b) Plan, I authorize the vendors/funding vehicles(s) that I have selected, to provide periodically, but no less than annually, to Naperville CUSD #203, information regarding all transactions made with respect to my annuity contract(s) and /or custodial account(s) provided under the 403(b) Plan, including information with respect to all distributions, investment changes, contract exchanges and transfers made to me or on my behalf, including loans, hardship withdrawals, investment changes between vendor(s)/Funding vehicles(s) receiving contributions, contract exchanges, transfers and eligible rollover distributions; distribution compliance reports; contract surrenders; salary deferral contributions, employer contributions (if applicable) and /or rollover contributions received by vendor(s)/funding vehicle(s); contributions applied toward incidental benefits; cumulative account balance totals; annual contribution compliance testing results; incidental compliance testing results; contractual terms, including providing copies of my annuity contract(s) and/or custodial agreements(s); my beneficiary designations under my annuity contract(s) and /or custodial agreements(s) and plan-level access via the secure website or other source of the vendor(s)/funding vehicles(s) to the account data for all 403(b) Plan participants. Further, I authorize the vendor(s)/funding vehicle(s) that I have selected to provide Naperville CUSD #203, information requested by Naperville CUSD #203, related to my contract(s) and/or account(s) in the event of an audit of the 403(b) Plan by the Internal Revenue Service, in the event of the Employer's self-correction or formal correction of defects in the 403(b) Plan and as is otherwise necessary to properly administer the operational compliance of the 403(b) Plan.

I understand and agree that, in the event I wish to request a rollover into the 403(b) Plan, loan, hardship withdrawal, investment change, contract exchange, plan transfer or any other transaction regarding the 403(b) Plan, I must first contact Naperville CUSD #203 to obtain a pre-authorization of such transaction. I further understand and agree that, after obtaining such pre-authorization from Naperville CUSD #203, I must also then contact the vendor(s)/Funding vehicle(s) holding my annuity contract(s)/custodial account(s) to request such transaction.

I understand and agree that any beneficiary designation made pursuant to my participation in the 403(b) Plan will be provided by me on a separate "Beneficiary Designation" form provide by the Vendor(s)/Funding Vehicle(s) selected by me.

I understand and agree that the Agreement will remain in effect from the date of execution and until terminated in the manner provided herein. I understand and agree that the Employer may terminate the salary deferral contributions authorized under the Agreement at any time by terminated the 403(b) Plan and/or stopping contributions to the 403(b) Plan and delivering written notice of such to me and the termination will be effective beginning with the payroll date designated pursuant to the terms of the 403(b) Plan following the date of such termination. I understand and agree that the salary deferral contributions authorized under th agreement will terminate when I cease to be employed by the Employer.

I understand and agree that no provision of the Agreement will affect the right of the Employer to discharge me, with or without cause, nor will the Agreement affect the terms and conditions of any contract of employment between the Employer and me, except as provided in the Agreement. By signing the Agreement, I certify that the information provided herein is complete and accurate and agree that I will provide any and all updated information as is necessary to administer the 403(b) Plan.

I understand that the reasonable expenses of administering the operational compliance of the 403(b) Plan will be apportioned among and charged to participants in the 403(b) Plan, subject to authorization by the Employer. I agree and authorize that such administrative fees apportioned or charged to me may be paid from a payroll deduction made by the Employer for such amount from my after-tax compensation for such payroll period in which the charge is incurred or from a deduction made by the vendor(s)/Funding vehicle(s) selected by me directly from the annuity contract(s) and/or custodial accounts (s) in which my contributions to the 403(b) Plan are invested. I understand and agree that the amount to be deducted from my payroll by the Employer as an after-tax deduction or deducted by the vendor(s)/Funding vehicle(s) from my annuity contract(s) and/or custodial accounts(s) and paid to Naperville CUSD #203 for administrative costs for operations compliance of the 403(b) Plan may equal an amount up to \$3.00 per month for each month that I contribute to each vendor/funding vehicle and that such amount may be adjusted annually by Naperville CUSD #203 for inflation (such adjustment not to exceed a maximum increase of 3% annually). I understand and agree that if I contribute to more than one vendor/funding vehicle in a particular month, I may be subject to more than one monthly deduction described in this paragraph.

If you have any questions concerning the completion of this form, please contact Naperville CUSD #203 Business office (630) 420-6323.

I hereby acknowledge that I have read, understood and agree to the terms and conditions of this Salary Reduction Agreement. Note: By signing this Agreement, you agree to all listed terms and conditions of this Agreement.

Signature of Eligible Employee: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Employer Representative: \_\_\_\_\_ Date: \_\_\_\_\_