

PAYROLL DEDUCTION AGREEMENT FORM

This agreement is between you and your employer. **DO NOT SEND TO AG FINANCIAL SOLUTIONS.**

① Employee Information

Please use full legal name

Full Legal Name _____
Last First Middle Initial

This is a: ☐ New agreement ☐ Change to my existing agreement

② Employer Information

Name of Employer _____

③ Agreement

This Agreement is made between you and Employer named above. **This Agreement will change all payroll deduction contributions to the employee's account(s).** If an option in section A is left blank, it will be assumed that the election amount is zero. This agreement will remain in effect as long as your employment continues or until another agreement is exercised.

Your employer may not offer some deferral/deduction options. Check with your employer to see what options are available. See descriptions of each type of deferral/deduction on the back of this form.

- A. I elect to defer eligible compensation (e.g., wages or salaries) as follows beginning on ____/____/____.
- ☐ Pre-tax 403(b) elective deferral \$ _____ or _____ % per pay period
 - ☐ Roth 403(b) after-tax deferrals \$ _____ or _____ % per pay period
 - ☐ After-tax deferrals \$ _____ or _____ % per pay period
 - ☐ AGLF Demand Certificate # _____ in the amount of \$ _____ or _____ % per pay period
(Existing AGLF Demand Certificates only; for new investment information, call 1.866.453.7143.)
- B. If I have selected the Roth 403(b) after-tax deferral, I understand that qualified distributions for the Roth 403(b) deferral accounts are different from Roth IRA accounts.
- C. I understand, upon written notice, that I may change or terminate my payroll deductions at any time within the guidelines established by my employer.
- D. I understand that I am responsible for determining that the amount of my salary reduction does not exceed the limits for 403(b) contributions.
- E. I understand that the responsibility for choosing the deferral type and investment elections is my own and not that of my employer, MBA, or any other person or group. I understand that my own tax and investment professionals are the best people to advise me in their respective areas of expertise.
- F. I understand that elective deferrals and employer contributions are not available for distribution except when I have a distributable event as defined by the Internal Revenue Service and MBA Plan rules.

The Employee and the Employer hereby agree to this Payroll Deduction Agreement Form:

X	
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Signature of Employee

Date

X	
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Signature of Employer

Date

④ 403(b) Plan Contribution Types

All contributions to your 403(b), whether deferred from taxes or after-tax deposits, must be from ministry earned income and are subject to legal limits. Contact us for the contribution limits.

Employee Deferrals

- **Pre-tax 403(b) elective deferrals.** This represents a reduction in an employee's pay due to an agreement between the employee and employer. The contribution and earnings on it are tax-deferred for federal income tax purposes until distributed. *These contributions must be made on an employer check.*
- **Roth 403(b) after-tax deferrals.** This represents deductions from an employee's pay due to an agreement between the employee and the employer. Contributions are taxed before going into the plan. Qualified distributions are tax-free and penalty-free. There are restrictions on when distributions may be taken. *Qualified distributions in a Roth 403(b) plan are different than those for a Roth IRA. See our web site or contact us for more information. These contributions must be made on an employer check.*
- **Traditional after-tax contributions.** These contributions are made by an agreement between the employee and employer for a salary deduction. The contribution will be taxed before going into the Plan. Earnings grow tax-free until distributed. A portion of every distribution is a tax-free return of contributions and a taxable return on earnings. Distributions can be made at any time but taxes will apply and tax penalties may apply if you are under age 59½. These contributions may be made by an employer or personal check up to the amount of the legal limits when combined with other 403(b) contributions. *Employer verification is needed to send in a personal check, please contact us.*

Employer Contributions

- **Employer contributions.** This is a benefit (non-elective) in addition to salary that is paid to the employee's 403(b) retirement account. No action is needed by the employee to receive the benefit unless the employer is matching all or a portion of the employee deferrals. The contributions and earnings are tax-deferred for federal income tax purposes until distributed. *These contributions must be made on an employer check.*

You should choose the type of deferral that best suits your needs based on consultation with your own tax professional. Neither your employer nor MBA can give you this advice. We can provide more detailed information on the benefits of the pre-tax elective deferrals and Roth after-tax deferrals.

⑤ Retirement Investment Information

- Your retirement contributions will be invested according to the election that is currently on file.
- If you are invested differently among sources (employer contributions vs. employee deferrals), your Roth 403(b) contribution will be invested according to the election on file for your pre-tax deferrals unless you have actively elected a different investment for the Roth 403(b) contribution.
- You may change your investment election for all contribution types or for individual contribution types online at agfinancial.org/retirementforms or by contacting our office.

⑥ Questions

If you need help determining the contribution amount that fits your financial situation, call us at 800.622.7526. A retirement planning specialist can discuss your retirement savings needs and help you calculate the maximum you can contribute to your 403(b) plan each year, including use of catch-up provisions and after-tax options.