

403(b) Salary Reduction and 457(b) Deferred Compensation Agreement

This salary reduction/deferred compensation agreement supplements the employment contract between the employer, Southwestern Michigan College, hereafter referred to as the "Employer" and _____, Employee "N" Number _____, hereafter referred to as the "Employee".

The employer sponsors a 403(b) Salary Reduction Plan and a 457(b) Deferred Compensation Plan. To participate in both plans, you must complete the information requested below for both plans, even if in the past you completed a similar agreement for one of these plans. This agreement will replace any prior salary reduction and/or salary deferral agreement.

Please indicate to which plan this agreement applies: 403(b) 457(b) Both

Check One: New Enrollment Contribution Change

Section 1: 403(b) Salary Reduction Agreement

Contributions can be made to 403(b) pre-tax only, after-tax ROTH only, or a combination of both pre-tax and after-tax ROTH. The percentage or dollar amount listed in the pre-tax and after-tax sections will be added together for the total amount to be reduced from the employee's salary. This agreement is made between Employer and Employee. The parties agree to and acknowledge the following:

403(b) Pre-tax Salary Reduction

Employee agrees to Pre-Tax Salary Reduction contributions as follows:

Commencing on (date): _____

- A. \$ _____ each pay period (26 pay periods per year)
- B. _____% of compensation each pay period (26 pay periods per year)

403(b) After-Tax ROTH Salary Deduction

Employee agrees to After-Tax Salary Deduction contributions as follows:

Commencing on (date): _____

- A. \$ _____ each pay period (26 pay periods per year)
- B. _____% of compensation each pay period (26 pay periods per year)

Section 2: 457(b) Deferred Compensation Agreement

Contributions can be made to 457(b) pre-tax only, after-tax ROTH only, or a combination of both pre-tax and after-tax ROTH. The percentage or dollar amount listed in the pre-tax and after-tax sections will be added together for the total amount to be reduced from the employee's salary. This agreement is made between Employer and Employee. The parties agree to and acknowledge the following:

457(b) Pre-tax Salary Reduction

Employee agrees to defer the right to receive pre-tax compensation as follows:

Commencing on (date): _____

- C. \$ _____ each pay period (26 pay periods per year)
- D. _____% of compensation each pay period (26 pay periods per year)

457(b) After-Tax ROTH Salary Deduction

Employee agrees to defer the right to receive after-tax compensation as follows:

Commencing on (date): _____

A. \$ _____ each pay period (26 pay periods per year)

B. _____% of compensation each pay period (26 pay periods per year)

Section 3: Authorization

1. Employee requests that the Employer invest the funds in an annuity contract meeting the requirements of IRC Section 403(b) or 457(b), as applicable, issued by the applicable selected provider above. The Employer does not guarantee such annuity.
2. This agreement is legally binding and irrevocable with respect to amounts earned while it is in effect. This agreement shall terminate any prior Salary Reduction or Deferred Compensation Agreement executed between the Employer and the Employee under the Employer's Section 403(b) and 457(b) programs. This agreement shall continue indefinitely until amended or terminated by either party by giving at least thirty (30) days written notice prior to the date of such amendment or termination. If employer elects to cease all salary reduction contributions to its plans, this agreement shall automatically terminate. This agreement shall automatically terminate upon the Employee's separation from service with the Employer.
3. Employee may only contribute amounts that have not already been paid or made available. Employee agrees and acknowledges that contributions shall not exceed applicable limits under the plan or federal law and that the Employer may limit contributions in order to comply with federal law and the plan document, and the Employee hereby directs that any contribution in excess of such limits be returned to the Employee in accordance with governing legal requirements.
4. The Employee agrees and acknowledges that contributions under this agreement shall be subject to the provisions of the respective plans and that the Employer may impose its own or additional administrative rules and procedures.
5. A salary reduction agreement between the parties to this agreement may not be made more than two times during any taxable year of the Employee.

Employee Signature

Employee "N" Number

Southwestern Michigan College Controller

Date Received