

IMPORTANT NOTICE

Before you sign: Read the important information on the reverse side of this form. Each Employee who initiates or changes contributions to a 403(b) program shall, at such time, provide the Portsmouth School Department (PSD) with a copy of his/her maximum contribution allowance ("MCA") as calculated by the Employee's chosen annuity or custodial account provider or any other party acceptable to the PSD.

	<u>2020</u>
Annual Deferral Limit	\$19,500
Add'l "Pre-Retirement" Catch-Up Limit (with 15 years of service)	\$ 6,500
Add'l "Age 50" Catch-Up Limit	\$ 6,500

For each Employee contributing or utilizing the "catch-up provisions" or the special elections allowed by the Internal Revenue Code, an "MCA" calculation shall be required annually. A copy of such "MCA" shall be provided to PSD by November 1 of each calendar year in which the "catch-up provisions" or "special elections" are utilized.

Part 1. Employee Information:

Name

Social Security #

Address

Part 2. Contribution Information

(Select all that apply)

dℓ Initiate new salary reduction

Please deduct the amount of \$ _____ per pay.

dℓ Change salary reduction

This is notification to change the amount of my TSA salary reduction from \$ _____ to \$ _____.

dℓ Discontinue salary reduction

Please discontinue my TSA salary reduction with the following Service Provider: _____

dℓ Employee is utilizing catch-up provision/special elections

dℓ Pay Schedule:

Number of bi-weekly pays _____

Other Instructions: _____

Implementation Date: Salary reduction instructions shall be implemented in accordance with Portsmouth School Department's administrative schedule.

Part 3. Service Provider

Amount of Compensation per Reduction	Service Provider
1. \$	
2. \$	

Part 4. Agreement

The above named Employee agrees to modify his/her salary as indicated above. PSD 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 Portsmouth School Department'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 Portsmouth School Department harmless against any and all actions, claims and demands whatsoever that may arise from the purchase of annuities or custodial accounts for Employees in amounts in excess of contribution limits as defined under Applicable Law except where an "MCA" was calculated by Service Provider based on accurate information

Part 4. Agreement (continued)

Employee acknowledges that the PSD 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 the PSD 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 company or regulated investment company; or his/her selection and purchase of shares of regulated investment companies. Nothing herein shall affect the terms of employment between the PSD and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

IMPORTANT INFORMATION

1. The PSD does not choose the annuity contract or custodial account in which your contributions are invested.
2. Employee responsible for setting up and signing the legal documents to establish annuity contract or custodial account. However, in certain group annuity contracts, PSD 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 Provider. All rights under contracts or accounts are enforceable solely by Employee, 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 transaction.
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 5. 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 PSD 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 my beneficiary, my authorized representative or me.

Employee Signature

Date

FOR SALES AGENT/REPRESENTATIVE COMPLETION

Part 6. Acknowledgement and Representation of Sales Agent/Representative

I agree to comply with all pertinent written directives regarding the solicitation of Employees. I will provide a maximum contribution allowance ("MCA") calculation for each Employee who initiates or changes contributions. An "MCA" calculation will be provided annually for each Employee contributing the maximum allowable amount or more or utilizing "catch-up provisions" or special elections. Furthermore, to the extent that the Service Provider's indemnification, under a separate written instrument provided previously or simultaneously with this agreement (hereinafter "Service Provider Agreement"), does not extend to calculations which I have performed, and subject to all the other limitations of the Service Provider Agreement, I agree to indemnify and hold harmless PSD, any individual member of the governing board and the Employee participating in the 403(b) Program against any claims based on an error in the "MCA" I provided, except where the error is based upon erroneous information provided by PSD or Employee.
(Please print)

Sales Agent/Representative Name

Phone

Address

Signature

Date

Part 7. Employer Signature

PSD hereby agrees to this Salary Reduction Agreement.

Employer Signature

Date

Title