

Oak Grove School District No. 68
SALARY REDUCTION AGREEMENT
 403(b) Tax-Sheltered Annuity (TSA) Program

PERSONAL INFORMATION (please print)

Employee Last Name	Employee First Name	MI	Social Security Number
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Street Address			Date of Birth
<input style="width: 100%;" type="text"/>			<input style="width: 100%;" type="text"/>
City or Village	State	Zip Code	Telephone
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

ACTION REQUESTED ON THIS AGREEMENT (Check only one box.):

- New Enrollment.** Employee must submit an account application to the company(ies) selected. Applications are obtained directly from the company on the approved vendor list.
- Change/Restart monthly amount or investment companies.** Indicate the new monthly dollar or percentage amount below for all companies, even those not changed.
- Terminate participation and STOP payroll deductions**

EFFECTIVE DATE (earnings effective the first day):
 mm/dd/yyyy

DEFERRAL AUTHORIZATION:

I authorize Oak Grove School District 68 to reduce my salary to allow for the purchase of a 403(b) supplemental retirement benefit on my behalf and to remit the designated amounts from each paycheck to the investment company or companies indicated below.

I have read and will abide by the Participant Obligations stated on the reverse side of this agreement. I understand that this Salary Reduction Agreement is legally binding and irrevocable with respect to salary that becomes payable to me while this agreement is in effect. I understand that I may stop, start, or change my future contribution amount at any time during the year by submitting a new Salary Reduction Agreement. I understand that it is my responsibility to monitor my earnings statement each payday to ensure that my deductions are made for the correct amounts and are sent to the correct providers.

This Salary Reduction Agreement REPLACES AND CANCELS ALL PREVIOUS AGREEMENTS ON FILE. ONLY the contributions to the companies shown below will continue after the effective date of this agreement.

IMPORTANT: You must have an existing vendor account with each company listed, or file an account application with the company, BEFORE your first contribution is taken. Two weeks' lead-time for new accounts is strongly recommended to ensure that the company promptly credits your contribution.

Please check all options that apply (A, B, C). See the reverse for annual contribution limits.

- A. **General Limit**
- B. **Catch-up for Age 50+**
- C. **Catch-up with 15 years of Full Time Service**

COMPANY DESIGNATION(S):

Remit to	Dollar Amount (\$) Per Paycheck		Percent (%)
Company		OR	
Company		OR	
Company		OR	

Employee's Signature _____ Date _____

Prepared By (If other than the employee) _____

Employer _____

The following applies to all participants in the Oak Grove School District 68 403(b) Tax Sheltered Annuity (TSA):

1. **Federal Contribution Limits:** TSA contributions are subject to annual limits determined under Internal Revenue Code (IRC) sec. 402(g) and 415 (c). These limits may be indexed annually in \$500 increments based on the Consumer Price Index. The IRS publishes the limits in the last quarter of the year for the following year.

Election A - In 2011, your limit is **\$16,500** up to 100% of compensation.

Election B - If you are age 50 or older in 2011, you may contribute an additional **\$5,500**.

Election C - If you have 15 years of OGS employment, you may be eligible to contribute an additional amount equal to the lesser of: i) \$3,000; ii) \$15,000 reduced by the sum of elective deferrals in prior years under this catch-up rule; or iii) \$5,000 times the number of your years of service for the organization, minus the total elective deferrals made by your employer on your behalf for earlier years.

Your TSA limit is **reduced** dollar for dollar by any voluntary contribution you make to another 403(b), 401(k), Federal Thrift Savings, salary reduction SEP, or SIMPLE plan.

Contributions to a 457 (Deferred Compensation) plan or to a traditional or Roth IRA do **NOT** affect your TSA limit.

Over-contributions may result in tax penalties. You are solely responsible for the tax consequences of authorizing any salary reduction that exceeds the amounts allowed by law. It is your responsibility to monitor your annual salary reductions to ensure that they are in compliance with the IRC provisions and bring any over-contributions or changes in employment status to the attention of the business office.

2. **Investment Responsibility:** You are responsible for your TSA investment decisions. This responsibility includes informing yourself of the nature and risk of the investments, monitoring your investments, and determining when a change in investments is appropriate. Oak Grove School District 68 is in no way liable for gains or losses you may incur in your TSA account(s).
3. **Authorized Investment Companies (Vendors):** As long as Oak Grove School District employs you, you may make contributions only to investment companies and products authorized under our TSA Program. You may change your future contributions to a different authorized option, or transfer all or a portion of your account balance to any other authorized investment option at any time, subject to contractual surrender charges or redemption fees. As long as Oak Grove School District employs you, you may not transfer your TSA account balances to vendors or investment options not authorized by our TSA Program.
4. **Withdrawals and Loans:** Generally, you cannot withdraw or roll over your TSA account balances before you attain age 59 ½, terminate employment, die, or become disabled. Withdrawals may also be available as ordered by a court under a Qualified Domestic Relations Order (QDRO). Loans are not permitted under the Oak Grove School District No. 68 403(b) Plan. Hardship withdrawals are permitted by the Plan provided that you satisfy the “safe harbor” standards, with respect to establishing an immediate and heavy financial need (under Treas. Reg. §1.401(k)-1(d)(3)(iii)(B), and the lack of other resources requirement (under Treas. Reg. 1.401(k)-1(d)(3)(iv)(E)). The investment company is responsible for determining your eligibility for other withdrawals. Tax penalties may apply to distributions before age 59 ½. You are entirely responsible for all withdrawals and any resulting tax liabilities.
5. **Salary Reduction Agreement (SRA) Termination:** This agreement will continue for subsequent calendar years. To stop your contributions, you must file a new copy of the SRA. If you terminate employment, your SRA terminates automatically after your last check is paid. If you later return to work, you must file a new SRA to resume contributing. Oak Grove School District **reserves the right to suspend or terminate a participant's SRA** if it believes that the participant has **over-contributed** or is in violation of any applicable federal requirement or any term of this agreement.
6. **Required Distributions:** After you retire, you must take minimum distributions from your TSA account, generally beginning no later than age 70 ½. You do not need to take Required Minimum Distributions from your TSA accounts as long as you are still working for Oak Grove School District 68, even though you may be over age 70 ½.
7. **Effective Date:** Unless you specify a later effective date, this agreement takes effect on the first payday following the employer's receipt of this form. Forms received less than 5 business days before payday may not take effect until the following pay period.
8. **Corrections:** It is your responsibility to verify that this SRA has been accurately processed by comparing it to your earnings statement. Contact the business office immediately if you find any discrepancy. In volatile markets, the value of your contribution may decline over time. The District will correct, at our cost, errors reported to us within two months. The participant must bear the cost due to market decline, if any, to correct any portion of errors that are more than two months old.