

**RACINE UNIFIED SCHOOL DISTRICT TAX-SHELTERED ANNUITY  
SALARY REDUCTION AGREEMENT**

Agreement made this \_\_\_\_\_ day of (Month) \_\_\_\_\_, (year) \_\_\_\_\_, by and between the RACINE UNIFIED SCHOOL DISTRICT (the "Employer") and \_\_\_\_\_ (the "Employee"), Social Security number \_\_\_\_\_, whereby the Employer and Employee agree as follows:

- Effective with the first pay date on or after \_\_\_\_/\_\_\_\_/\_\_\_\_, upon all regularly scheduled pay periods thereafter, the gross salary of the Employee will be reduced by \_\_\_\_\_% per pay period. The Employee is currently paid \_\_\_\_\_ times per year, and based on this, it is estimated that the total annual reduction in compensation for the year will be \$\_\_\_\_\_ (must be at least \$200).
- The amount of such reduction shall be paid and remitted by the Employer or its designee to the Company(ies) indicated below, which are 403(b) carrier/ investment firms approved by the Employer and selected by the Employee for the purchase of a non-forfeitable annuity contract or the establishment of a custodial account described in Section 403(b) of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code").

COMPANY NAME	ACCOUNT #	PERCENT
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %
(Percents must add to 100%) -----TOTAL PERCENT:		_____ %

- The Employee is responsible for determining that the amount of salary reduction specified in paragraph 1, does not exceed the amount permitted under Sections 403(b), 415, and 402(g), of the Internal Revenue Code. The Employer agrees to provide the Employee, upon written request, any information available from the Employer's records that is necessary to enable the Employee to make this determination. The Employee is solely responsible for any and all taxes, interest, penalties, fines or forfeitures which may be imposed on the Employee in the event that the salary reduction contribution exceeds the maximum allowable contributions.
- The Employee acknowledges that the Employer has made no representation to the Employee regarding the advisability, appropriateness, or tax consequences of this Salary Reduction Agreement, participation in a tax-sheltered annuity, or the Company(ies) which issues the annuity contract or which invests the Employee's salary reduction funds. The Employee agrees that the Employer shall have no liability whatsoever for any and all losses suffered by the Employee with regard to his or her selection of the Company(ies) which issues the annuity contract or which invests the Employee's salary reduction funds or the solvency of, operation of, or benefits provided by said Company(ies).
- This Salary Reduction Agreement is legally binding and irrevocable with respect to salary amounts paid to the Employee while this Agreement is in effect. The Employee may terminate this Agreement at any time with respect to salary paid after the effective date of the termination. The termination shall be effective as of the first day of the pay period immediately following the date the Employer receives notice of termination in writing from the Employee.

6. The Employee agrees to indemnify the Employer for any taxes, interest, penalties, fines or forfeitures, imposed upon the Employer resulting from the Employee's violation of the limitations and provisions contained in the Internal Revenue Code or this Salary Reduction Agreement. Furthermore, the Employee agrees to indemnify the Employer for all reasonable costs, including attorney's fees, incurred by the Employer which may result from the Employee's contributions to the Section 403(b) plan and the Employer's reporting of these contributions.
7. The Employee agrees that the Employer shall have the authority to discontinue the salary reduction amounts if the Employer determines that the Employee's salary reduction amounts will exceed the maximum allowable contributions as discussed in paragraph 3 above. Such discontinuance would only be made after the Employee is notified of the pending action and has had a minimum of two weeks to provide the Employer with information, satisfactory to the Employer, that the salary reduction amount does not exceed the maximum allowable contributions.

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Employee Name (printed) \_\_\_\_\_

Employee Signature \_\_\_\_\_

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EMPLOYER Representative Signature \_\_\_\_\_

Date \_\_\_\_\_

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Instructions to Tax Shelter Agents:

1. No agent is to solicit employees of the Racine Unified School District during regular business hours as stipulated by the present written policy of the Board of Education.
2. Agents should be aware when calculating contributions that most RUSD employees are paid biweekly, some weekly. Biweekly paid employees have some latitude in selecting a pay plan which determines how many times they are paid in a year. Remittance of contributions, however, may continue to be made monthly.
3. Pay dates are normally on Fridays except when moved due to holiday or school calendar event. New or amended agreements will be processed for the current pay period (if so desired) as long as they are received by the Payroll Department prior to the time the payroll is ready to run.
4. Requests for additional copies of this form may be made to the Payroll Department at (262) 631-7026. Our fax number is (262) 619-4646. Mailing address: 2220 Northwestern Avenue, Racine, WI 53404.