

MEDFORD PUBLIC SCHOOLS
403b Salary Reduction Agreement ("SRA")
For Tax Sheltered Annuities and Custodial Accounts

Before you sign, please read all information on this form: (Note: **ALL** employees are eligible to participate in a 403(b) Plan, except students who are attending MPS. A Tax Sheltered Annuity ("TSA") is an investment account that is set aside for your retirement (only), and is paid for with "pre-tax" dollars. A Custodial Account ("CA") is the group or individual custodial account or accounts, established for each Employee, by the Employer, or by each Employee individually, to hold assets of the Plan. The Maximum Allowable Contribution ("MAC") cannot exceed \$16,500 (\$22,000 if age 50 or over). Both TSA & CA receive tax deferred treatment.

Employee Information		<i>Please Print Clearly to Ensure Timely Processing</i>	
Social Security Number:	Select One: <input type="checkbox"/> New Hire <input type="checkbox"/> Existing Employee		
Your Name:	Date of Birth:	Date of Hire:	

The above named individual elects to become a participant in the Medford Public Schools 403b Plan and agrees to be bound by all terms and conditions of the Plan. By executing this agreement, the Employee authorizes MPS to reduce his/her compensation and have that amount contributed, as an elective deferral on his/her behalf, into the annuity or custodial accounts as selected by Employee. It is intended that the requirements of all applicable state and federal income tax rules and regulations will be met. Employee also understands and agrees to the following:

- ✓ This Salary Reduction Agreement is legally binding and irrevocable with respect to amounts paid or available while this agreement is in effect.
- ✓ This Salary Reduction Agreement may be terminated at any time, given 10 days notice in writing to MPS Payroll Office.
- ✓ A new Salary Reduction Agreement must be submitted to start or restart any 403b payroll deduction and can only be submitted in accordance with MPS administrative procedures.
- ✓ Employee is responsible for providing the complete and necessary information at the time of enrollment and/or any changes therein.
- ✓ Employee is responsible to determine that the SRA deduction amount does not exceed the limits set forth by law.
- ✓ Employee agrees to indemnify and hold MPS harmless against any and all actions, claims, demands, that may arise from the purchase of annuities or custodial accounts.
- ✓ Employee acknowledges that MPS has made no representation to Employee regarding the advisability, appropriateness, tax consequences, or financial claim of the annuity or custodial accounts.
- ✓ Employee agrees that MPS shall have no liability whatsoever for any and all losses suffered by Employee with regard to his/her selection of annuity, custodial account, or investment strategy.
- ✓ Employee is responsible for setting up and signing legal documents to establish an annuity contract or custodial account with only vendors who have agreed in writing to the conditions of the Medford Public Schools 403b Plan and have been accepted by a vote of the MPS School Committee.

This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

52 PAYS 26 PAYS \$ _____ per pay % _____ per pay

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 MPS take the action specified in this agreement. I understand that all rights under the TSA or CA established by me under the Plan are enforceable solely by my beneficiary, my authorized representative or me.

Employee Signature: _____ **Date:** _____

Acknowledgment and Representation of Sales Agent/Representative

I agree to comply with all pertinent written directives regarding the solicitation of Employees. A calculation of maximum allowance will be provided annually for Employee contributing more than \$16,500 (\$22,000 if over 50.) Furthermore, my employer (company) _____ agrees to indemnify and hold harmless MPS, 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 MAC I provided, except where the error is based upon erroneous information provided by MPS or Employee.

Sales Agent/Representative Name: _____ **Phone** _____

Employer Signature: _____ **Date:** _____