



## Agreement for Salary Reduction Under Section 403(b)

By THIS AGREEMENT, made between \_\_\_\_\_(Employee) and **Lake Forest Academy**, the parties hereto agree as follows:

Effective for amounts paid on or after \_\_\_\_\_, 20\_\_\_\_, which date is subsequent

to the execution of this Agreement, the Employee's salary will be reduced by the amount indicated below. At the same time, the Institution will contribute a corresponding amount to the Employee's annuity contract(s) (or custodial accounts, if applicable) which the Employee will allocate among the funding vehicles approved by the Institution.

This agreement shall be legally binding and irrevocable for both the Institution and the Employee while employment continues. However, either party may terminate or otherwise modify this Agreement as of the end of any month (or pay period, if applicable) by giving at least thirty days written notice so that this Agreement will not apply to salary subsequently paid.

- **Please note the minimum contribution is 4% of salary in order to receive LFA's employer match. This may be a combination of both pre-tax and post-tax, equal to a total of 4%.**

**The amount of the salary reduction\* shall be:**

- \_\_\_\_\_% of gross annual salary (pre-tax)
- \_\_\_\_\_% of gross annual salary (pre-tax)
- \$\_\_\_\_\_ per pay period (pre-tax)
  
- \_\_\_\_\_% of gross annual salary towards ROTH (post-tax)
- \_\_\_\_\_% of gross annual salary towards ROTH (post-tax)
- \$\_\_\_\_\_ per pay period towards ROTH
  
- The maximum amount allowed under law (pre-tax)
- The maximum amount allowed under law towards ROTH

This amount will produce a total Institution contribution that does not exceed the Employee's statutory limitation under IRC Section 415 or Section 402(g) whichever is less.

For employees age 50 and over, additional catch up contributions are permitted under IRC 414(v). If you are eligible, you must separately elect this amount:

- \$\_\_\_\_\_ Maximum Catch-up Amount

Signature \_\_\_\_\_

Date \_\_\_\_\_

Approved By \_\_\_\_\_

To be completed by HR:

Max Contribution: \$\_\_\_\_\_ per pay period