

SOUTH SUBURBAN COLLEGE

Payroll Deduction Form for Tax Sheltered Annuities

Before signing:

Please read the important information on this form. Each employee who initiates or changes 403(b) contributions shall, at such time, provide SSC with a copy of his/her maximum exclusion allowance (MEA) as calculated by the employee's chosen annuity or custodial account provider or any other party acceptable to South Suburban College. For each employee contributing \$10,000 or more or utilizing the "catch-up provision" or the special elections allowed by the Internal Revenue Code, an MEA calculation shall be required annually. A copy of such MEA shall be provided to South Suburban College by December 1 of each calendar year in which the "catch-up provisions" or "special elections" are utilized.

In accordance with and for the purpose of qualifying under the provisions and for the benefit of Section 403 (b), this agreement is made between the employee and South Suburban College and the parties thereto agree as follows:

- Begin a 403 (b) salary plan deduction in the amount of \$ _____ on pay date _____.
- Change the salary deduction amount of a 403 (b) plan to \$ _____ on pay date _____.

Please specify:

- 20 deductions (available to full-time faculty).
- 26 deductions (available to full-time faculty, administrators, and staff).

By signing this payroll deduction form, the following conditions will apply:

South Suburban College shall not make any contributions on behalf of the employee 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 South Suburban College's administrative procedures.
4. 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 South Suburban College 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 MEA was calculated by Service Provider based on accurate information provided by Employee. Employee acknowledges that South Suburban College 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 South Suburban College 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 South Suburban College and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

Important information:

1. South Suburban College does not choose the annuity contract or custodial account in which your contributions are invested.
2. Employees are responsible for setting up and signing the legal documents to establish your annuity contract or custodial account.
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 Providers 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.

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 South Suburban College 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 me, my beneficiary or my authorized representative.

Employee Signature

Social Security Number

Date

Acknowledgment 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 exclusion allowance (MEA) calculation for each Employee who initiates or changes contributions. An MEA calculation will be provided annually for Employee contributing \$10,000.00 or more or utilizing "catch-up provisions" or the special elections. Furthermore, I agree to indemnify and hold harmless the Employer, 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 MEA I provided, except where the error is based upon erroneous information provided by South Suburban College or Employee.

(Please Print)

Name of Annuity Company

Name of Sales agent/representative

Telephone number

Street address

City, State, Zip

Date

Employer acceptance:

Employer hereby agrees to this Salary Reduction Agreement.

Employer representative signature

Title

Date