

**SALARY REDUCTION AGREEMENT
403(B)(1) AND 403(b)(7) PROGRAM**

Part 1. Employee Information:

Name: _____ Last 4 digits of SSN: _____

Address: _____

Part 2. Agreement

The above named Employee elects to become a participant of the Employer's 403(b) Plan and agrees to be bound by all the terms and conditions of the plan. By executing this agreement, Employee authorizes Employer to reduce his or her compensation and have that amount contributed as an elective deferral on his or her behalf into the annuity or custodial accounts as 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. 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 Employer's administrative procedures.

Employee is responsible for providing the necessary information at the time of initial enrollment and later if there are any changes in any information necessary or advisable for Employer to administer the plan. Employee is responsible for determining that the salary reduction amount does not exceed the limits set forth in applicable law. Furthermore, Employee agrees to indemnify and hold Employer harmless against any and all actions, claims and demands whatsoever that may arise from the purchase of annuities or custodial accounts. Employee acknowledges that Employer 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 Employer 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. Nothing herein shall affect the terms of employment between Employer and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

Employee is responsible for setting up and signing the legal documents to establish an annuity contract or custodial account. However, in certain group annuity contracts, Employer is required to establish the contract.

Employee is responsible for naming a death beneficiary under annuity contracts or custodial accounts. Employee acknowledges that this is normally done at the time the contract or account is established and reviewed periodically.

Employee is responsible for all distributions and any other transactions with Vendor. All rights under contracts or accounts are enforceable solely by Employee, Employee beneficiary, or Employee's authorized representative. Employee must deal directly with Vendor to make loans, transfers, apply for hardship distributions, begin regular distributions or any other transactions.

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Part 3. Representation by Employee for Calendar Year – 2009:

A. Participation in other employer plans: (you must check only one)

I do not and will not have any other elective deferrals, voluntary salary reduction contributions or non-elective contributions with any other employer.

I do participate in another employer’s 403(b), 401(k), SIMPLE IRA/401(k) or Salary Reduction SEP. The following information pertains to all of my other employers for the current calendar year:

Includible Earnings \$_____ ; Elective Deferrals and/or salary reduction contributions to a Roth 403(b) or Roth 401(k) plan \$_____ ; Non-elective Contributions \$_____.

B. I have not received a Hardship Distribution from a plan of this Employer within the last six months. I further agree to provide notification to Employer prior to initiating a request if I plan to elect a hardship distribution during the term of this agreement.

C. Maximum Elective Deferral: (you must check only one)

My elective deferral/salary reduction contribution does not exceed the Basic Limit (the lesser of my compensation or \$16,500).

My elective deferral exceeds the Basic Limit, however; the attached worksheets support the additional “Age 50 Catch-up provision” of \$5,500. I do not qualify for the special increased limit under the “15-year rule.”

My elective deferral exceeds the Basic Limit, however; the attached worksheets support the additional Catch-up provision for the “15-year rule” and the “Age 50 Catch-up provision” for this calendar year only. I understand that amounts in excess of the basic limit shall be allocated first to the “15-year rule” and next to the “Age 50 Catch-up provision.”

Part 4. Voluntary Salary Reduction Information: (Check all that apply)

- Initiate new salary reduction Please complete Part 5.
- Change salary reduction This is notification to change the amount of my elective deferral to the new amount listed in Part 5.
- Change Funding Vehicle Provider This is notification to change my Funding Vehicle – Complete Part 5.
- Discontinue salary reduction Please discontinue my elective deferral to the following Funding Vehicle:
_____.
- Utilizing Employer Matching This is notification to change my Funding Vehicle – Complete Part 5.

Implementation Date (next available pay on or after): _____.

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Part 5. Funding Vehicle & Amount of Pre-Tax Elective Deferrals:

| | Employee Deduction Contribution Per Pay Period | Vendor Name |
|-----------|---|--------------------|
| 1. | \$ | |
| 2. | \$ | |
| 3. | \$ | |

| | Employer Matching Amount Per Pay Period | Vendor Name |
|-----------|--|--------------------|
| 1. | \$ | |
| 2. | \$ | |
| 3. | \$ | |

Part 6. Employee Signature

I certify that I have read this complete agreement and provided the information necessary for Employer to administer the Plan and that my salary reductions will not exceed the elective deferral or contribution limits as determined by Applicable Law. I understand my responsibilities as an Employee under this Program and I request that Employer 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 my beneficiary, my authorized representative or me.

Employee Signature: _____ Date: _____

Part 7. Employer Signature

Employer hereby agrees to this Salary Reduction Agreement:

Employer Signature: _____ Title: _____ Date: _____

Revision 01/26/2009

| EMPLOYER SECTION | |
|-------------------------|----------------------|
| Group _____ | FTE _____ |
| Pay Plan _____ | Match Limit _____ |
| Hire Date _____ | Effective Date _____ |

Worksheet B. Includible Compensation for Your Most Recent Year of Service*

Note. Use this worksheet to figure includible compensation for your most recent year of service.

| | | | |
|-----|--|-----|-------|
| 1. | Enter your includible wages from the employer maintaining your 403(b) account for your most recent year of service | 1. | _____ |
| 2. | Enter elective deferrals excluded from your gross income for your most recent year of service** | 2. | _____ |
| 3. | Enter amounts contributed or deferred by your employer under a cafeteria plan for your most recent year of service | 3. | _____ |
| 4. | Enter amounts contributed or deferred by your employer to your 457 account (a nonqualified plan of a state or local government or of a tax-exempt organization) for your most recent year of service | 4. | _____ |
| 5. | Enter the value of qualified transportation fringe benefits you received from your employer for your most recent year of service | 5. | _____ |
| 6. | Enter your foreign earned income exclusion for your most recent year of service | 6. | _____ |
| 7. | Add lines 1, 2, 3, 4, 5, and 6 | 7. | _____ |
| 8. | Enter the cost of incidental life insurance that is part of your annuity contract for your most recent year of service | 8. | _____ |
| 9. | Enter compensation that was both : <ul style="list-style-type: none"> • Earned during your most recent year of service, and • Earned while your employer was not qualified to maintain a 403(b) plan | 9. | _____ |
| 10. | Add lines 8 and 9 | 10. | _____ |
| 11. | Subtract line 10 from line 7. This is your includible compensation for your most recent year of service | 11. | _____ |

* Use estimated amounts if figuring includible compensation before the end of the year.
 ** Elective deferrals made to a designated Roth account are not excluded from your gross income and should not be included on this line.

Worksheet C. Limit on Catch-Up Contributions

Note. If you will be age 50 or older by the end of the year, use this worksheet to figure your limit on catch-up contributions.

| | | | | |
|----|--|----|-------|---------|
| 1. | Maximum catch-up contributions | 1. | _____ | \$5,000 |
| 2. | Enter your includible compensation for your most recent year of service | 2. | _____ | |
| 3. | Enter your elective deferrals | 3. | _____ | |
| 4. | Subtract line 3 from line 2 | 4. | _____ | |
| 5. | Enter the lesser of line 1 or line 4. This is your limit on catch-up contributions | 5. | _____ | |

Worksheet 1. **Maximum Amount Contributable (MAC)**

Note. Use this worksheet to figure your MAC.

Part I. Limit on Annual Additions

- 1. Enter your includible compensation for your most recent year of service **1.** _____
 - 2. Maximum
 - For 2007, enter \$45,000
 - For 2008, enter \$46,000 **2.** _____
 - 3. Enter the lesser of line 1 or line 2. This is your limit on annual additions **3.** _____
- Caution:** If you had only nonelective contributions, skip Part II and enter the amount from line 3 on line 18.

Part II. Limit on Elective Deferrals

- 4. Maximum contribution
 - For 2007, enter \$15,500
 - For 2008, enter \$15,500 **4.** _____
- Note.** If you have at least 15 years of service with a qualifying organization, complete lines 5 through 17. If not, enter zero (-0-) on line 16 and go to line 17.
- 5. Amount per year of service **5.** _____ \$ 5,000
 - 6. Enter your years of service **6.** _____
 - 7. Multiply line 5 by line 6 **7.** _____
 - 8. Enter the total of all elective deferrals for prior years made for you by qualifying organizations **8.** _____
 - 9. Subtract line 8 from line 7. If zero or less, enter zero (-0-) **9.** _____
 - 10. Maximum increase in limit for long service **10.** _____ \$15,000
 - 11. Enter all prior year increases in the limit for long service **11.** _____
 - 12. Enter the total amount of all designated Roth contributions for prior years **12.** _____
 - 13. Add line 11 and line 12 **13.** _____
 - 14. Subtract line 13 from line 10 **14.** _____
 - 15. Maximum additional contributions **15.** _____ \$ 3,000
 - 16. Enter the least of lines 9, 14, or 15. This is your increase in the limit for long service **16.** _____
 - 17. Add lines 4 and 16. This is your limit on elective deferrals **17.** _____

Part III. Maximum Amount Contributable

- 18.
 - If you had only nonelective contributions, enter the amount from line 3. This is your MAC.
 - If you had only elective deferrals, enter the lesser of lines 3 or 17. This is your MAC.
 - If you had both elective deferrals and nonelective contributions, enter the amount from line 3. This is your MAC. (Use the amount on line 17 to determine if you have excess elective deferrals as explained in chapter 7.) **18.** _____