



**Instructions:** Use this form if you wish to direct SMSD to reduce your compensation and direct this compensation to become an elective deferral under the District's 403(b) Program, or if you want to change your existing Salary Reduction Agreement. This Agreement is between you and SMSD.

Please complete this form electronically and print to sign or print and write legibly. Unless otherwise instructed, please return the completed form to Payroll and be sure to retain a copy of this agreement for your records.

EMPLOYEE INFORMATION				
FIRST NAME	MI	LAST NAME	EMPLOYEE ID	
HOME ADDRESS		CITY	STATE	ZIP
HOME PHONE	WORK PHONE		DATE OF BIRTH	
ENROLLMENT TYPE				
<input type="checkbox"/> Initial Election ( <i>all signatures required</i> ) <input type="checkbox"/> Change Contribution Amount ( <i>agent's signature is not required</i> ) <input type="checkbox"/> Stop Contributions ( <i>agent's signature is not required</i> )			Effective Date: _____	
MONTHLY REDUCTIONS				
Select one company: <input type="checkbox"/> Lincoln <input type="checkbox"/> MetLife <input type="checkbox"/> Security Benefit <input type="checkbox"/> VALIC				
<input type="checkbox"/> I request the following <b>Pre-tax</b> salary reduction amount per month \$ _____				
<input type="checkbox"/> I request the following <b>Roth (after-tax)</b> salary reduction amount per month \$ _____				
<i>Note: Monthly contribution must be \$20 or more. If you contributed to another tax-deferred retirement plan for the current calendar year you will need to consider those contributions when calculating IRS calendar year limits.</i>				
AUTHORIZATION				
<p>This agreement shall continue indefinitely until amended or terminated by written notice by the employee to the district, subject to automatic termination provided in Section 5. Changes cannot be made to salary that has already been earned but may not yet have been paid to the employee. This agreement may be amended or terminated only in accordance with the requirements of Section 403(b) of the Internal Revenue Code. Except as so amended or terminated, this agreement shall remain in effect for the duration of the employee's employment. <b>Note: This is not a savings account.</b></p>				
Participant: _____ <i>Signature</i>			Date: _____ <i>MM / DD / YYYY</i>	
Agent: _____ <i>Signature</i>			Date: _____ <i>MM / DD / YYYY</i>	
Employer: _____ <i>Signature</i>			Date: _____ <i>MM / DD / YYYY</i>	

1. In consideration of the district purchasing a nontransferable annuity contract/mutual fund shares for the employee from the insurance company or regulated investment companies listed below (collectively "company"), the employee agrees that the district shall reduce the regular monthly salary due to the employee by the amount noted on page one (1).

**Effective date:** If this agreement is received by the district on or before the 15<sup>th</sup> day of any month, the agreement shall be effective with respect to salary paid on or after the first day of the month following receipt of this agreement by the district. If this agreement is received by the district after the 15<sup>th</sup> day of any month, the agreement shall be effective with respect to salary paid on or after the first day of the second month following receipt of this agreement by the district. The reduction shall continue to be made until such time as this agreement is amended or terminated pursuant to Section 4 or 5.

2. The reduction shall be paid by the district in accordance with the terms of its Sections 403(b) program in an amount or amounts shown on page one (1) to purchase annuity contracts issued or mutual fund shares offered by the selected company.
3. The purpose of this agreement is to enable the employee to participate in an annuity program as described in Section 403(b) of the Internal Revenue Code of 1986 ("code"), as amended. The employee, for himself/herself, the employee's spouse, heirs, administrators, executors and representative, agrees as follows:
  - (a) Employee assumes full responsibility for all computations in connection with such salary reduction and warrants to the district that the salary reduction hereby agreed to does not exceed the maximum deferral amount permitted under Code Section 402(g), the employee's exclusion allowance as computed under Code Section 403(b), and the contribution limitation of Code Section 415, and that, for any given month, the salary reduction will not exceed the amount the employee would be entitled to exclude from the employee's gross annual income under the code were the employee to terminate employment on the last day of said month;
  - (b) Employee assumes full responsibility for tax consequences which result from the salary reduction hereby agreed to, and hereby releases the district, its officers, agents, and their employees from any liability for financial loss resulting from incorrect evaluation of tax-deferred status, from any of the calculations referred to in this Section 3, the selection of a company or any particular annuity or mutual fund, incorrect advice the employee has received or may receive from any of the above enumerated entities or individuals respecting such annuities or mutual funds and the benefits the employee may receive as a result of the salary reduction hereby agreed upon, and from insolvency or financial inability of a company to keep its contractual commitments;
  - (c) Employee shall hold harmless and indemnify the district, its officers, agents and employees from any and all claims, demands or causes of action, by the Internal Revenue Service arising from employee's contributions made hereunder to the district's 403(b) program. Employee and employee's own expense and risk, shall defend any proceeding that may be brought against the district, any of its officers, agents or employees on any claims or demands in respect to which of them is indemnified and held harmless hereunder, and shall satisfy any judgment or tax assessment that may be rendered against the district or its officers, agents or employees with respect to any such claim or demand.

The employee further understands and agrees that the company is not the agent or employee of the district, of the members of the board of education, either individually or together acting as a board, of their employees, or of the successors of each of the foregoing nor are any of the foregoing ententes or individual employees or agents of the company.

4. This agreement shall continue indefinitely until amended or terminated by written notice by the employee to the district, subject to automatic termination provided in Section 5. If an amendment or termination is received by the district on or before the 15<sup>th</sup> day of any month, the amendment or termination shall be effective with respect to salary paid on or after the first day of the month following receipt of this amendment or termination by the district. If an amendment or termination is received by the district after the 15<sup>th</sup> day of any month, the amendment or termination shall be effective with respect to salary paid on or after the first day of the second month following receipt of such amendment or termination by the district. Changes cannot be made to salary that has already been earned but may not yet have been paid to the employee.
5. This agreement shall automatically terminate upon the earliest of: (a) termination of the employee's appointment as an employee of the district; (b) the employee's death; or (c) the date the 403(b) program is terminated by the district.
6. Notice of elections by employee shall be sent to the payroll office of the district or to such other person and address as the district shall require by notice pursuant to this section. Notice of changes given to the employee shall be sent to the employee's assigned building or to such other address as the employee may designate by notice pursuant to this section.
7. This agreement shall be irrevocable with respect to amounts earned while the agreement is in effect.
8. Execution of this agreement by the employee shall constitute application by such employee to the district pursuant to K.S.A. 72-8603 for purchase of an annuity contract/mutual fund shares and reduction of salary.
9. In consideration for the employee's release of all rights, present and future, to receive in any other form the amounts to be applied toward premium payments or the purchase or mutual fund shares and of the other undertakings in this agreement, the district agrees to carry out the terms of this contract as set forth herein.