



7110 – Accounting and Payroll
Lansing Community College
P. O. Box 40010
Lansing, Michigan 48901-7210
Phone: (517) 483-1732 Fax: (517) 483-9876

SALARY REDUCTION AGREEMENT Under section 403(b)

1. EMPLOYEE INFORMATION

Name of Employee _____
Address _____
City _____ State _____ Zip _____
Social Security Number _____ - _____ - _____

2. SALARY REDUCTION CONTRIBUTIONS

(i) The Employee identified above hereby irrevocably agrees to reduce his or her compensation from the Employer by \$ _____ for each regular pay period beginning _____, 2_____, for purposes of having such reduced compensation amounts contributed by the Employer as salary reduction contributions to the 403(b) annuity contract or custodial account issued to, or established for, the Employee by the annuity company or custodian named in (ii) below.

(ii) All such salary reduction contributions shall be forwarded by the Employee to:

Annuity Company or Custodian Representative's

Name: _____

Address: _____

Account Number: _____

(iii) This Agreement shall be automatically renewed as of the first day of each calendar quarter hereafter, unless prior to the first day of any calendar quarter the Employee and Employer agree in writing to suspend or replace this Agreement effective as of the first day of such calendar quarter.

(iv) This Agreement is legally binding and irrevocable with respect to compensation which becomes available to the Employee while it is in effect. However, it may be terminated at any time by either the Employee or the Employer with respect to compensation which has not yet become available to the Employee.

3. COMPLIANCE WITH TAX LIMITATIONS

(i) The Employee and the insurance agency, brokerage firm or other organization (the "Agency"), if any, through which the annuity contract or custodial account referred to in 2. above was sold to the Employee shall be jointly and individually responsible for determining that any salary reduction contributions pursuant to this Agreement do not exceed the exclusive allowance limitations of Section 403(b)(2) of the Internal Revenue Code (the "Code"), the annual additions limitations of Code Section 415(c), or the limits on elective deferrals of Code Section 402(g). Pursuant to a separate agreement between the Employer and the Agency, if any, the Agency has agreed to assist the Employee in complying with the foregoing Code limitations. The Employer is not responsible for the Employee's compliance with the foregoing limitations and has given no advice, nor made any representations, with respect to these limitations or any other federal, state or local tax consequences resulting from this Agreement.

(ii) Notwithstanding any other provisions of this Agreement, this Agreement will not be accepted and signed by the Employer if it provides for salary reduction contributions which will exceed current 403(b) limits as issued from the IRS in any calendar year unless the Employee furnishes to the Employer a written statement signed by the Agency, if any, stating that such salary reduction contributions for the calendar year will comply with the limitations referred to in (i) above and with written calculations demonstrating such compliance. If the annuity contract or custodial account referred to in 2. above was not sold to the Employee through an Agency, the Employee shall furnish such a statement and written calculations to the Employer prepared by a person qualified to make such a statement and calculations satisfactory to the Employer.

4. INVESTMENT OF SALARY REDUCTION CONTRIBUTIONS

By signing this Salary Reduction Agreement, the Employee acknowledges that:

- (i) Employee has made all investigations and inquires that he or she deems necessary relating to the investment risks and tax treatment of the investment selected by the Employee under the Plan.
- (ii) Employee assumes responsibility for periodic review of investment performance and changes in investment risk or tax treatment, and will seek professional advice if necessary.
- (iii) Employee understands that the Board and its agents and employees have not made any investigation concerning Employee’s investments under the Plan and have not given Employee any recommendation or advice; Employee also understands that they will not do so in the future.
- (iv) Employee understands that complex tax laws apply to Plan investments and he or she assumes full responsibility to comply with those laws and will hold the Board or College harmless against any claims, damages, or expenses associated with the Employee’s failure to comply.
- (v) Employee understands that selection of a beneficiary and/or a pay-cut option for Plan investments could have important financial and tax consequences for his or her family and estate, and that those consequences could change as family and financial circumstances change. Employee assumes full responsibility for obtaining appropriate and ongoing professional advice on these matters.

5. COLLEGE APPROVED AGENCY OR DIRECT PURCHASE

This College will not transmit salary reduction contributions to an insurance company or mutual fund custodial account unless the annuity or custodial account is purchased directly from the insurance company or mutual fund through a College approved agency. If this annuity or custodial account is being purchased through an agency, the Employee certifies that the name and address of the agency are:

Name of Agency _____

Address _____

Form must be printed in its entirety and signed before sending to Accounting and Payroll, MC 7110

6. ACCEPTANCE

Employee Signature

Date

Lansing Community College

By

Date

Title

- Consolidated Financial:
- Lincoln Life:
- TIAA-CREF:
- VALIC:
- Waddell & Reed: