

Part 1. Employee Information:

Name: _____ SS#: _____

Address: _____

Part 2. Agreement

The above-named Employee elects to become a participant of the Arlington Heights School District 25 ("Employer") 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 transfers, begin regular distributions, or any other transactions. **Loans and hardship distributions are not allowed under this plan.**

Part 3. Representation by Employee for Contributions:

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 understand that hardship distributions are not allowed under the Employer's plan as of January 1, 2009, however, I agree to provide notification to Employer prior to initiating a request if a hardship distribution becomes available under this plan and I elect a hardship distribution during the term of this agreement.

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

_____ My elective deferral/salary reduction contribution does not exceed the IRS Basic Limit on Elective Deferrals (i.e. the lesser of my includible compensation or \$22,500 for 2023 and adjusted annually).

_____ My elective deferral exceeds the Basic Limit, however; the ***attached worksheet*** supports the additional 'Age 50 Catch-up provision' of \$7,500. I do not qualify for the increased limit under the '15-year rule'.

_____ My elective deferral exceeds the Basic Limit, however; the ***attached worksheet*** supports the additional provisions for the '15-year rule' of \$3,500 and the 'Age 50 Catch-up provision' for \$7,500 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)

- | | |
|--|--|
| <input type="checkbox"/> Initiate new salary reduction | Complete Part 5. |
| <input type="checkbox"/> Change salary reduction | Change my elective deferral amount to the new amount listed in Part 5. |
| <input type="checkbox"/> Change Service Provider | Change my Service Provider per the information in Part 5. |
| <input type="checkbox"/> Discontinue salary reduction | Discontinue my elective deferral to the following Service Provider: |

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

Part 5. Service Provider & Amount of Pre-Tax Elective Deferral:

| | Contribution Per Pay Period (select one) * | Authorized Provider from AHSD25 Approved Service Provider list (Annuity Contracts or Custodial Accounts) |
|----|--|---|
| 1. | <input type="checkbox"/> _____ % or <input type="checkbox"/> \$ _____ | Name of Service Provider: Account Number: Requests will NOT be processed without an account number |
| 2. | <input type="checkbox"/> _____ % or <input type="checkbox"/> \$ _____ | Name of Service Provider: Account Number: Requests will NOT be processed without an account number |
| 3. | <input type="checkbox"/> _____ % or <input type="checkbox"/> \$ _____ | Name of Service Provider: Account Number: Requests will NOT be processed without an account number |

* NOTE: Any employee who works variable hours or who does not have a regular bi-weekly paycheck must select “% of pay.”

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: Asst Supt For Business/CSBO Date: _____

Revision 7/14/2023
