



**Tax Deferred Annuity
Salary Reduction Agreement**

Effective Payroll Date _____
Name _____
Social Security Number _____
Date of Hire _____

I. Please read: The Internal Revenue Code (IRC) allows an employee to change at any time the amount of their salary reduction agreement and the company(ies) to which the money is being sent by completing a new Salary Reduction Agreement. All changes in the amount of salary reduced and/or participating company(ies) will become effective the next payroll upon receipt of the Salary Reduction Agreement in the Human Resources Office. In addition, a salary reduction agreement may be terminated with respect to compensation not yet earned, provided a Salary Reduction Agreement form is completed terminating the prior agreement.

Check one: Original Designation Amended Designation Termination of Agreement Company Change

II. Tax Deferred Annuity Salary Reduction

1. This agreement, made this _____ day of _____, _____ by and between Tompkins Cortland Community College, hereinafter "Employer", and _____, hereinafter "Employee", supersedes any previous Tax Deferred Annuity Salary Reduction Agreement between the parties.

Start Date	Stop Date	Participating Company	\$ Per Pay	Calendar Year Total
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(Annualized total may not exceed maximum IRS limit.)

- 2. This agreement shall continue until the Employee completes another Salary Reduction Agreement either amending or terminating this agreement or upon termination of employment.
- 3. **The Employee is solely responsible for compliance with maximum limitations on contributions, including the limits under Sections 403(b) of the Internal Revenue Code and related regulations. The Employee is hereby advised to consult his/her own financial planner or tax consultant before signing this agreement.** The Employee agrees to indemnify and hold harmless the Employer from any claims, demands, judgments, costs, or expenses (including reasonable attorney's fees) arising out of or relating to this agreement.
- 4. The purpose of the salary reduction is to set aside money for retirement.

I, the Employee, have read a current prospectus of the fund(s), and am electing to participate in the fund(s). I understand that there may be IRS restrictions, limitations on contributions, and tax penalties on early withdrawals. I understand that before complete this annuity agreement, I should receive professional consultation outside the College on such issues. I understand that this agreement is legally binding, and the Employer shall have no liability whatsoever for any loss suffered by the Employee. I have completely read this agreement and I understand that this agreement is not a contract of employment between the parties hereto. I have completed the vendor enrollment form(s).

Employee Signature: _____ Date: _____

Director of Human Resources Signature: _____ Date: _____

Instructions for Salary Reduction Agreement

Please complete all sections of the TDA Salary Reduction Agreement. The following instructions will assist you in completing the form so that there are no delays in the effective date and your salary is reduced by the correct amount.

I. **Check One:** Check *Original* if this is the first time you are entering into an agreement or are reestablishing an agreement. Check *Amended* if you are amending an existing agreement (changing dollar amounts). Check *Termination* if you are stopping the existing agreement. Check *Company Change* if you are changing the company(ies) to which money is being sent.

II. **Employer/Employee Agreement:** Print your name so that it is legible

Starting Date and Amount

Enter "ASAP" or the start date (deductions will start the first full payroll period after this date). Enter the total dollar amount for each paycheck, up to the maximum annual contribution limits pursuant to Internal Revenue Code.

Participating Company Information

Participating Company: List *all companies*, for "original", "amending", "terminating", or "changing". If you are amending or changing, list all companies and show the dollar amount. To delete a company, list all companies and show zero dollars for the company(ies) being deleted. Do *not* list specific fund names or investment vehicles within a company.

Amount per Pay Period: Enter the dollar amount per company per pay period. A zero dollar amount is entered when terminating participation with a company or an agreement.

Estimated Calendar Year Total: Estimate your *total dollar contribution amount*, based on your present gross pay, for the calendar year. For 12-month employment, use 26 pay periods; for less than 12-month employment, use the number of pay periods you normally work during a calendar year. However, the amount entered cannot exceed the IRS annual limits of contributions.

Signature and Date

Items 2-4 provide you with important information on IRS regulations that apply to this program and your responsibilities. By signing this form, you are certifying that you have read and understand these items.

Company Account Application/Enrollment Form(s)

To open an account with any of the companies included in the tax-deferred annuity program, you must complete the appropriate company form(s) prior to arranging your payroll deduction.

The Participant understands that:

1. The purpose of the employer in extending this agreement is to provide the participant with an opportunity to benefit from the provisions of the Internal Revenue Code that govern Tax Deferred Annuity agreements.
2. The Employer makes no recommendation as to whether the participant should participate in this program.
3. The Employer does not warrant any particular tax consequences to the participant.
4. All computations in connection with the determination of the amount of the salary reduction hereby authorized, including the amount of the exclusion allowance, includible compensation, and years of service, are the responsibility of the participant.