

SALARY REDUCTION AGREEMENT FOR THE 403(b) TAX SHELTERED ANNUITY (TSA) PLAN

REYNOLDS SCHOOL DISTRICT #7, (REYNOLDS SCHOOL DISTRICT)

Implementation: This Salary Reduction Agreement (the 'Agreement' or SRA) supersedes any previous Agreement for the person named below (the "Employee") under the 403(b) Plan (the "Plan") offered by Reynolds School District #7 (the "Employer"), also known as Reynolds School District. This SRA will begin with the first paycheck on or after the "Effective Begin Date" specified below, provided this form is received by the Employer before the Payroll cutoff date for that paycheck. This Agreement will remain effective until a new Agreement is submitted.

Employee's Details:

| | |
|-----------------|---------------------|
| Name: | Employee Telephone: |
| Address: | Employee Email: |
| City/State/Zip: | Employee ID Number: |

Effective Date (Note - Must be received by the 5th of the month to be applicable for that month.)

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| Begin: |
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Agreement Type:

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| <input type="checkbox"/> Replace/Override a Previous Salary Reduction Agreement (If you have an existing deferral you wish to continue, restate that information below) |
| <input type="checkbox"/> Start/Initiate a Very First (new) Agreement |
| <input type="checkbox"/> Cancel/Discontinue an Existing Agreement (Cancels Deductions to All Vendors) |

† IF any Vendors listed below is new, you MUST include documentation that an account has been established with the new Vendor that is linked to Reynolds. Former employer account(s) may not be used for contributions at Reynolds.

Paycheck Reductions - Distribution Among Vendors (Reynolds limits selections to 3 Vendors):

| Vendor Name: | Pretax \$ | Roth \$ |
|--------------|-----------|---------|
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Employer Contributions - Please confirm your eligibility for employer contributions with your HR/Benefits department. To Be Determined

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|--------------|
| Vendor Name: |
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|----------------------------------|
| Account Number at FIRST Vendor: |
| Account Number at SECOND Vendor: |

Sign the Form:

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| EMPLOYEE CERTIFICATION AND SIGNATURE I certify that I have read this complete agreement, including the terms below, and understand my responsibilities as an Employee under this Plan. I request that the Employer take the actions specified in this agreement. I understand that all rights under the annuities or custodial accounts established by me under this Plan are enforceable solely by my beneficiaries, my authorized representative, or me. _____ Employee Signature and Date | EMPLOYER CERTIFICATION AND SIGNATURE The Employer certifies that it will reduce Employee's salary and remit appropriate amounts to Employer Vendors as specified herein. It is understood that all rights under the annuities and custodial accounts established by Employee under this Plan are enforceable solely by Employee, Employee's beneficiaries, or Employee's authorized representative. _____ Employer Signature and Date |
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Submit Form To:

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| Reynolds School District #7, Attn: Benefits, 1204 NE 201st Avenue, Fairview, OR 97024-9642 |
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Agent Name and Telephone Number (If Applicable):

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For Administrative Use Only: Entered by: _____

Date Entered: _____

Effective Date: _____

IMPORTANT NOTICE:

Reynolds School District (the "Employer") offers a 403(b) Tax Sheltered Annuity (TSA) plan to its employees as a benefit of employment. Section 403(b) of the Internal Revenue Code (IRC) authorizes this plan. Contributions cannot exceed limits imposed by IRC Sections 402(g), 403(b), and 415(c). Therefore, the Employer reserves the rights to reduce, suspend, and/or reinstate the contributions specified in this agreement at any time, in an effort to comply with all applicable IRC limitations. Moreover, the Employer reserves the right to reduce any specific contribution that would result in a net check amount smaller than that required in Employer administrative policies. Please read carefully the terms of this agreement as they appear below. **Finally, elective deferral limits are taxpayer-specific and apply to all elective deferrals to various types of employer-sponsored retirement saving plans, including 403(b), 401(k), SEP IRA, and SIMPLE IRA. Therefore, the Employee should consult a tax professional if participating in multiple plans of these types.**

TERMS OF THIS AGREEMENT

By signing this Agreement, the Employee agrees to modify her/his salary as specified on the front side of this form. Also, by signing this Agreement, the Employer agrees to contribute the amounts specified to the designated Service Provider(s) on behalf of the Employee, subject to verification that the proposed contributions satisfy all applicable IRC limitations and subject to administrative policies regarding minimum net check amounts. Such amounts are to be allocated among the separate accounts of Service Provider(s) based upon allocation arrangements established and maintained directly between the Employee and Service Provider(s). The Employee understands and agrees to the following:

- This Agreement is legally binding and irrevocable with respect to amounts paid or available while this agreement is in effect;
- Funds deferred to the 403(b) Plan must remain in the 403(b) Plan until the employee is eligible to distribute at Age 59.5 or severance from employment. Should funds be returned from a vendor in the plan due to an account that is not properly set up or a closed account, it is the participant's responsibility to open an account with an eligible vendor in the plan so the funds can be properly invested as soon as possible;
- This Agreement may be terminated at any time for amounts not yet paid or available. A termination request is permanent and remains in effect until a new Salary Reduction Agreement is submitted. In the event of Salary Reduction Agreement termination, later reelection might not be available with the same Provider;
- This Agreement may be changed with respect to amounts not yet paid or available in accordance with the Employer's administrative procedures; and
- The Employer reserves the rights to reduce, suspend, and/or reinstate salary reduction contributions to help meet all applicable IRC limitations in any given calendar year to which this agreement applies and to help meet any administrative policies regarding minimum net check amounts.

Employee acknowledges that the Employer has made no representation to Employee regarding the advisability, appropriateness, or tax consequences of the purchase of any annuity and/or custodial account available from any Service Provider. Employee agrees that the Employer shall have no liability whatsoever for any and all losses suffered by Employee with regard to her/his selection of annuities and/or custodial accounts; their terms; the selection of insurance or regulated investment companies; the financial condition, operation of, or benefits provided by, said insurance or regulated investment companies; or her/his selection and purchase of shares of regulated investment companies. Nothing herein shall affect the terms of employment between the Employer and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

The Employer does not choose the annuity contract or custodial account in which Employee contributions are invested. Employee is responsible for monitoring all account activity and fees associated with their account. Employee is responsible for setting up and signing the legal documents to establish annuity contracts and custodial accounts. Employee is responsible for naming a death beneficiary under annuity contracts and custodial accounts. Beneficiary designations should be reviewed periodically. Employee is responsible for all distributions and any other transactions with Service Providers. All rights under contracts or accounts are enforceable solely by Employee, Employee's beneficiaries, or Employee's authorized representative. Employee must deal directly with Service Providers to make loans, transfer to different contracts and custodial accounts, begin distributions, or any other transactions.

Employee acknowledges that certain rules and regulations apply to contributions, distributions, hardship withdrawals, loans, and other transactions associated with 403(b) TSA accounts. Employee accepts full responsibility for meeting the terms of such rules and regulations. Detailed information is available on the Employer's section of the Carruth Compliance Consulting website (www.ncompliance.com), and should be reviewed by the Employee if a hardship withdrawal, a loan, or other similar transaction is contemplated. Finally, Employee acknowledges that an authorized representative of the Employer will sign this agreement only if all applicable Employer administrative procedures are satisfied.