

457 Plan

**PA – PARTICIPATION AGREEMENT FOR
457(b) DEFERRED COMPENSATION PLAN
Salary Reduction Contributions**

In accordance with the requirements of IRC 457(b), the Agreement to begin or amend salary reduction contributions to the 457(b) Plan must be received prior to the first day of the month in which salary reduction contributions are to commence.

Additionally, the District requires:

- ❖ That the Agreement be approved by the District prior to the commencement of salary reductions.
- ❖ That the Agreement be completed in its entirety, with participant's signature where indicated.
- ❖ That the Agreement must be received at the Payroll Department four (4) weeks in advance of the pay date for which it is to take effect.
- ❖ That all Salary Reduction Contributions to the 457(b) Plan be on only one Agreement.

District: _____

Employee Name: _____

Social Security Number: _____

Check One: This is an initial agreement This is a superseding agreement

If a superseding Agreement (check all of those that apply):

- Change of contributions Change of Provider(s)
- Discontinuance of contributions (contributions cannot be resumed without a new Agreement).

This Agreement shall apply to the calendar month beginning on _____, 20__ and to all subsequent months until an amended Participation Agreement is signed.

Employee elects to defer receipt of compensation *each pay date* in an amount equal to \$ _____ and directs the District to forward such amount into a 457(b) account established on Employee's behalf in the specified amounts to the provider(s) next listed:

\$ _____ To: _____

\$ _____ To: _____

\$ _____ To: _____



It is Hereby Agreed by the District and the Employee that the certain valid existing employment contract (written or otherwise) made and entered into by and between the District and Employee be amended by salary reduction in the manner described above, and this Agreement be incorporated therein by reference and made a part thereof as if set out therein in full, as of the date of this Agreement.

This Agreement supersedes and replaces all previous Agreement(s) naming the providers designated above. Employee agrees that no more than one Participation Agreement will be in effect at any time, listing all 457(b) accounts to which payments are made by the District, and that this Agreement can only be effective with respect to compensation not yet received by or made available to Employee.

- 1. Employee releases any rights, present and future, to receive payment from the District of sums resulting from such Agreement in any form except (a) the right of the Employee's estate to receipt of sums so paid at death, or (b) the right to the Employee upon termination of employment by reason other than death, personally to receive all or any part of the amount specific for which service has been rendered but which has not been transmitted to the designated provider(s).**
- 2. This Agreement shall automatically apply to the employment contract entered into between the District and Employee for each succeeding calendar year unless amended or terminated by a four (4) week prior written notice to the District.**
- 3. Employee acknowledges that:**
 - a. For purposes of this Agreement, the District, its Governing Board, the County Superintendent of Schools, and officers and employees respectively ("the Accommodating Parties") do not recommend to any individual employee participation in the 457(b) Plan. The fact that a particular investment option may be available under the District's 457(b) Plan does not constitute an endorsement, recommendation or approval of any kind by any of the Accommodating Parties, and they do not warrant any particular tax consequence to the employees who elect to participate.**
 - b. Any amounts held under the 457(b) Plan for Employee shall be subject to the terms of the Plan and to any terms, conditions and restrictions imposed by any investment in which Employee's deferrals are invested. Any amounts contributed under the Plan, and the earnings thereon, shall be held in trust, in an annuity contract, or a custodial account in accordance with the terms of Section 401(f) of the Code for the exclusive benefit of Employee and beneficiaries.**
 - c. Employee has elected to participate and has determined the amounts of salary reduction and the investment options into which such amounts shall be invested and has not relied in any manner on the Accommodating Parties.**

- d. In selecting among the available investment options, Employee understands that equity-based options may result in loss of all or a portion of the contributions, and other types of accounts may include surrender or withdrawal charges for a specific period of time.
- e. The salary reduction contribution amounts selected by Employee do not exceed the maximum amounts that may be excluded from gross income under the applicable provisions of the Tax Code regardless of the number of accounts to which contributions are being made. The District may require corrective distributions if the permitted maximum amounts are exceeded.
- f. This Agreement may be terminated by the District at any time in the event the Employee or the provider fails to comply with the 457(b) Plan, procedures and/or rules of the District. This will include violation of any other applicable Agreements with the District.

Employee certifies that he or she has received a disclosure document appropriate to the selected investment option(s), and understands any applicable sales, management, or other charges.

4. Employee agrees that the Accommodating Parties shall have no liability whatsoever for any loss suffered by Employee with regard to the selection of a provider, or the solvency, operation of, or benefits provided by said provider; nor liability for any loss suffered by Employee by reason of the transmittal of any funds pursuant to this or any other Agreement.
5. Employee acknowledges that there are rules set forth in Section 457(b) and Section 414(v) of the Code that limit the maximum amount of salary reduction that can be made in any calendar year, which may require knowledge of the Employee's current and past participation in salary reduction programs of the District and/or any other employer.
6. Employee agrees that all calculations in connection with the determination of the amount of the salary reduction shall be the sole responsibility of Employee, and the broker, agent, or the provider. Employee agrees to provide certification of the correctness of the calculations as the District may require, to be signed by Employee. If calculations are being done by agent, broker, or provider, Employee agrees to provide accurate information on which to base those calculations. In no event will the Accommodating Parties, its officers, or employees be responsible for the calculations.
7. The Employee agrees to hold harmless and indemnify the Accommodating Parties from any and all damages that may result from Employee's participation in the District's 457(b) Plan, including any incorrect calculation of Employee's contribution limits. Indemnification from damages shall include any tax, interest, penalties or assessments or related costs that may be incurred by or imposed upon the Accommodating Parties. The Employee

agrees and authorizes the District to recover indemnification through payroll deduction, or, at the option of the District, through any other legal process.

IN WITNESS WHEREOF, this Agreement has been executed by and on behalf of the parties hereto.

Employee Name

District Representative Name and Title

Employee Signature

District Representative Signature

Date of Signature

Date of Signature

Employee's Certification and Indemnification:

The undersigned employee of the District, does hereby certify that the contributions that are made by the District through voluntary salary reductions to the 457(b) Plan are, to the best of employee's knowledge, within the eligible contribution limits permitted under the Internal Revenue Service Code and Regulations. This certification applies to Worksheet A, and, if applicable, to Worksheet B, which supports eligibility for catch-up contributions. Employee further acknowledges that the Accommodating Parties as set forth in the Participation Agreement bear no responsibility for the calculations. Employee bears the sole responsibility for any IRS assessed income taxes, excise taxes, or penalties.

X Employee Signature _____

Date _____