



Cleveland Hts-University Hts CSD

Tax Sheltered Annuity Salary Reduction Agreement

EMPLOYEE NAME	SOCIAL SECURITY NO.
TSA PROVIDER NAME	

AGREEMENT

THIS AGREEMENT, entered into this _____ day of _____, 20____, by and between _____, hereinafter designated as Employee, and the Cleveland Heights-University Heights City School District, hereinafter designated as the Employer.

WITNESSETH THAT:

1. For purposes of this Amendment, the following terms shall have the meanings assigned:
 - A. "Contribution" shall refer to a contribution made by the Employer on behalf of the Employee to a TSA due to a salary reduction agreement.
 - B. "Custodial Account" shall refer to a custodial account for investment in Regulated Investment Company Stock for the purpose of providing retirement benefits as described in IRC Section 403(b)(7).
 - C. "Employer" or "Board" shall mean Cleveland Heights-University Heights City School District Board of Education.
 - D. "Internal Revenue Code" or "IRC" means the Internal Revenue Code.
 - E. "IRC limits" mean any of the limitations of IRC Section 403(b), IRC Section 415, or IRC Section 402(g).
 - F. "Participant" shall mean any Employee of the Employer who meets the eligibility conditions and elects to participate in the TSA arrangement.
 - G. "Tax Sheltered Annuity" or "TSA" means the annuity contract or Custodial Account utilizing mutual funds which meet the requirements of IRC Section 403(b).
 - H. "TSA Provider" means the group, organization or entity which has been approved to offer its TSA to the Employees of the Employer.
2. Effective with the pay of _____, 20____, the gross wages of the Employee shall be reduced by \$_____ per pay period. (Twelve month employees, please circle one: 24 Pays or 26 Pays)
3. The Board agrees to purchase a TSA in the amount of the salary reduction agreed to in this Amendment issued by the TSA Provider listed above.
4. The reduction in salary provided above in Item 2 shall not be considered in calculating deductions for either the State Teachers Retirement System of Ohio (STRS Ohio), the School Employees Retirement System of Ohio (SERS Ohio), city payroll taxes, garnishments or court orders, nor shall such reduction be considered in determining any salary adjustment.
5. The Employee understands that the Employer, in general, has limited the amount of salary reduction to assist the Employee in remaining within applicable limits of the IRS and consequently to limit the Employer's exposure to income tax and other tax withholding problems. The Participant understands that he/she is responsible to produce an exclusion allowance calculation provided and prepared by the TSA Provider which demonstrates that the amount requested as a salary reduction fits within the exclusion allowance or one of the alternatives permitted by IRC Section 415(c)(4). The Participant understands that unless such exclusion allowance demonstration is provided, the amount requested by this Salary Reduction Agreement will not be implemented.
The Employee understands that 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 pursuant to IRC Section 403(b), shall be the responsibility of the Employee.
6. The Employee assumes the sole responsibility for the merits of any TSA Provider which he/she has selected and for the tax consequences which result from this Salary Reduction Agreement.

7. The Employee understands that he/she assumes the sole responsibility for the tax consequences of any distribution, including hardship distributions, or loans requested and any minimum distribution that should be made and will provide accurate and complete information as may be required to support such distribution or loan request.

8. This Salary Reduction Agreement shall remain in full force until amended or terminated by written notice from the Employee to the Employer. If the Employee terminates employment with the Employer, this Salary Reduction Agreement shall automatically terminate according to the terms of the Employment Agreement. If the Employer terminates the IRC Section 403(b) program, this Salary Reduction Agreement shall automatically terminate.

9. If the Employer terminates the TSA Provider relationship with a particular TSA Provider, this Salary Reduction Agreement shall not terminate. In that event, the Participant may either terminate the Salary Reduction Agreement or appoint an alternative TSA Provider to receive the funds.

EMPLOYEE REPRESENTATION AND AUTHORIZATION

I have read and reviewed this Amendment, and I understand its terms and conditions.

I have reviewed with my tax advisor or a representative of my TSA Provider the limitations applicable to tax sheltered annuities under IRC Section 403(b)(2), IRC Section 415, or IRC Section 402(g), collectively, the "IRC Limits." I hereby certify to the Board of Education of the Cleveland Heights-University Heights City School District that if I defer the amounts listed above in Item 2 by way of salary reduction to a Tax Sheltered Annuity, the amount paid into such TSA will not exceed the IRC Limits. In making this certification, I have had my tax advisor or TSA representative consider all amounts being deferred by me into tax sheltered annuities and qualified under IRC Section 403(b); any other salary reduction plan in which I participate with any other employer and all contributions being made by the Board of Education to or under STRS Ohio or SERS Ohio, including any such contribution made pursuant to a pick-up under IRC Section 414(h)(2).

I acknowledge that if my contributions to the TSA exceed the IRC Limits, the excess is treated as taxable income and may be subject to additional excise taxes, and that I am solely responsible for the payment of any income taxes, employment taxes, excise taxes, penalties or interest that result from my contributions exceeding the IRC Limits, including such taxes or penalties imposed upon the Board, the School District, or its Treasurer.

IN WITNESS WHEREOF, the parties have signed this Agreement:

EMPLOYEE SIGNATURE	DATE
TSA AGENT/REPRESENTATIVE SIGNATURE	DATE
EMPLOYER REPRESENTATIVE PRINTED NAME	TITLE
EMPLOYER REPRESENTATIVE SIGNATURE	DATE