

SALARY REDUCTION AGREEMENT

By THIS AGREEMENT, made between _____ (Employee) and URSINUS COLLEGE, the parties agree as follows:

Effective for amounts paid on or after the first day of _____, 2022 (which date is after the execution of this Agreement), the Employee's salary will be reduced by the amount indicated below. At the same time, the College will contribute a corresponding amount to the Employee's annuity contracts which the Employee will allocate among the funding vehicles approved by the College.

This Agreement shall be legally binding and irrevocable for both the College and the Employee while employment continues. However, either party may terminate or modify this Agreement as of the end of any month by giving at least thirty days written notice so that this Agreement will not apply to salary subsequently paid.

The amount of the salary reduction shall be: (check all that apply)

Minimum Contribution: 4% of base salary per pay period as provided for under the College's Defined Contribution Retirement Plan 103726. This amount will be allocated to a TIAA-CREF Retirement Annuity as the funding vehicle of the College's formal retirement plan.

Optional – Voluntary Contributions (The Minimum Contribution does not count towards the below limits)

_____% per pay period **UP TO** the maximum allowed by the IRS. **For the 2022 calendar year, the maximum is \$20,500.**

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Maximum amount permitted by law: For the 2022 calendar year, the maximum is \$20,500. This amount will produce a total Institution Contribution that does not exceed the Employee's statutory limitation under IRC Section 415 or Section 402(g).

Catch-Up Contributions: For employees who have attained age 50 or over anytime during the calendar year of this agreement, may elect to contribute up to an additional \$6,500. (Select either A or B):

(A) \$ _____ per year

(B) the maximum allowed

Special 15 Years of Service Catch-Up Contribution: This allows employees who have completed 15 or more years of service with Ursinus College to "catch-up" on the funding of their retirement benefits where they might not have been able to so earlier in their career. This 15 years of service catch-up contribution is in addition to the age 50 and over catch-up contribution. Such employee may make additional salary reduction contributions in the following amounts, whichever is the LEAST of:

1. \$3,000. In no year can the additional salary reduction be greater than \$3,000.
2. \$15,000 reduced by your voluntary salary reduction contributions excluded from your gross income in prior years under this special catch-up rule. This means that the \$15,000 aggregate life-time limit applies to the total amount of special catch-up contributions to this Plan and special catch-up contributions made to another employer's plan. Ursinus will ask you to confirm whether or not you have contributed any special 15 years of service catch-up amounts to another 403(b) plan.
3. The excess of (1) \$5,000 multiplied by the number of years of service with Ursinus College over (2) the voluntary salary reduction contributions made by you for prior tax years under the College's 403(b) plans.

By _____
(Employee Signature)

Date _____/_____/_____