

**APPLETON AREA SCHOOL DISTRICT
SALARY REDUCTION AGREEMENT
Dated: January 1, 2011**

Read this before completing this form: This salary reduction agreement does not establish a tax deferred annuity with a specific vendor but only authorizes the withholding of funds from your paycheck. For new enrollments, separate 403(b) enrollment applications must be requested from the vendor(s) you have chosen from the list of District-approved vendors (this list is available at the District office). You must complete and return to the vendor all required enrollment forms before the District will be allowed to transmit your initial deferral election to your account. It is solely your responsibility to obtain and return all vendor-required enrollment forms.

Employee: _____ SSN: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone Number: _____ Date of Birth: _____

I. Employee Deferrals – Section 403(b) Pre-tax Deferral Election.

I hereby authorize the Appleton Area School District ("District") to withhold \$ _____ OR _____ % (whole dollar amount or whole percentage of total pay period compensation) from my compensation per pay period.

This Agreement shall be effective as of the first pay date which is not less than ten (10) business days following the date of execution of this Agreement. The District shall remit the withheld funds to the following Vendor(s) that I have selected:

<u>Amount</u> (whole dollar/percentage)	<u>District-Approved Vendor Name</u>
\$ _____ OR _____ %	_____

<u>Amount</u> (whole dollar/percentage)	<u>District-Approved Vendor Name</u>
\$ _____ OR _____ %	_____

Please use back of this form, continuing in the same fashion above if you wish to select additional vendors.

II. Employee Deferrals – Section 403(b) Roth After-tax Deferral Election.

I hereby authorize the Appleton Area School District ("District") to withhold \$ _____ OR _____ % (whole dollar amount or whole percentage of total pay period compensation) from my compensation per pay period.

This Agreement shall be effective as of the first pay date which is not less than ten (10) business days following the date of execution of this Agreement. The District shall remit the withheld funds to the following Vendor(s) that I have selected:

<u>Amount</u> (whole dollar/percentage)-	<u>District-Approved Vendor Name</u>
\$ _____ OR _____ %	_____

*For qualified withdrawals from the Roth TSA, the participant must be age 59 ½ or older and have had the account for at least five years.

III. Terms/Conditions. This Agreement is legally binding upon me and may be terminated by me only by giving notice of termination in the payroll period preceding the payroll period in which the terminations is to be effective.

I understand and agree that there are limitations on my deferrals under the Appleton Area School District Employees Savings Plan (403(b) Plan) and that my contributions under this election do not exceed those limits. Further, I confirm that any deferrals in excess of the general limitations are due to my eligibility for either "catch-up" election which allows for a deferral in excess of the \$16,500 limit (for 2011, adjusted annually) for the 403(b) plan and \$16,500 limit (for 2011, adjusted annually) for the WDCP Section 457(b) Plan.

By the execution of this Agreement, I represent that:

- 1) This Agreement shall terminate any prior Salary Reduction Agreement executed between myself and the District under the Appleton Area School District Employees Savings Plan (403(b) Plan).
- 2) I have not executed more than the number of Salary Reduction Agreements permitted during the same plan year under the Plan.
- 3) I have made an independent determination as to my desire to make these salary deferrals.
- 4) I have assessed the risk associated with such investment(s) and have determined, with such professional advise as I deemed necessary, that the product offered by the Vendor is suitable to me.
- 5) The District has no responsibility to evaluate or apprise me, now or in the future, as to the performance, status or otherwise as to the operation or viability of any product offered by the Vendor or alternative investments.
- 6) I have made an independent determination as to my deferral level after consideration of the requirements of law and affirm that my contributions are within the limits of the law.
- 7) I understand that I am responsible for determining that the amount of my deferral contributions elected above in this Salary Reduction Agreement, plus any amount deferred under a SIMPLE plan, a 401(k) plan or other 403(b) plan not sponsored by the District, does not exceed the maximum limit specified under Internal Revenue Code section 402(g) for any given plan year.
- 8) I understand that distribution rules of the 403(b) Plan apply to cash withdrawals, as well as rollovers to other qualified plans (e.g., IRAs, another employer's 403(b) plan, etc.). These rules state that I may only withdraw or rollover my balance in my account under this 403(b) Plan in the following situations:
 - Reach age 59 ½ while still employed with the District;
 - Sever my employment with the District (e.g., quit, terminated, retire, etc.);
 - Die (my beneficiary may withdrawal or rollover funds); or
 - Become permanently disabled.
- 9) I understand that I will be taxed on all pretax accounts under the 403(b) Plan upon withdrawal. The IRS will also assess a 10% early withdrawal penalty unless I:
 - Reach age 59 ½ before my withdrawal;
 - Retire at age 55 or later; or
 - Die or become permanently disabled.
- 10) I understand that all Roth after tax accounts may be withdrawn tax-free, provided IRS requirements are met (see your Plan's Summary Plan Description Brochure for more information). Roth accounts are subject to the 10% early withdrawal penalty rules and exceptions described in Item #9 above.
- 11) I understand that I may move my account balance from one vendor to another under the Plan while I'm employed and/or after I sever employment with the District, as long as the receiving vendor is one of the vendors on the District's Approved Vendor List. Please contact the District office for an up-to-date copy of this list.

By executing this Agreement, I hereby elect, where the general limitations of Code sections 403(b), 415(c) and 457(b) are not satisfied, such alternative limitations as are available and necessary for me to comply with the annual addition limitations, as determined under Code sections 415(c)(4) and 457(e).

I release the District from any and all claims that I may assert in the event that the product which I have chosen under this Agreement shall fail to qualify for preferential tax treatment under Code section 403(b). I understand that the District assumes no responsibility, actual or implied, with respect to the calculation of the contribution or the limits on such contributions.

Dated this _____ day of _____, 20__.

Signature of Employee

Please provide the name, signature and phone number of your vendor's representative. If this is not practical, please certify in writing that you have properly opened an account with the vendor to which you are requesting your contributions be remitted.

Name of Vendor Representative

Phone Number

Signature of Vendor Representative

APPENDIX A

APPLETON AREA SCHOOL DISTRICT
EMPLOYEE SAVINGS PLAN
Pre-tax 403(b) & Roth 403 (b) PLAN

The following represent the District's Approved Vendors as of February 1, 2011:

American Century Investments

Ameriprise Financial*

Oppenheimer Funds Inc

Pension, Inc. / Appleton Group

Thrivent Financial for Lutherans*

WEA

*** Note: Companies that do not currently offer Roth 403(b) options.**