

Lebanon Valley College
Agreement for Salary Reduction

By THIS AGREEMENT, made between _____ and LEBANON
_____ (employee)
VALLEY COLLEGE, Annville, PA, the parties hereto agree as follows:

Effective with respect to amounts earned on or after the first day of _____, 20____ (which date is subsequent to the execution of this Agreement), the employee's basic monthly salary will be reduced by the amount indicated in items (1) and/or (2) and/or (3) below, and at the same time Lebanon Valley College's contribution to the employee's annuity contract(s) will be increased by a corresponding amount, allocated between TIAA and CREF as designated by the employee, it being understood that during the effective period of this Agreement there will be no DEDUCTIONS made from the employee's salary for contributions to Lebanon Valley College's TIAA-CREF Retirement Plan.

This agreement shall be legally binding and irrevocable as to each of the parties hereto while employment continues; provided, however, that either party may terminate this Agreement as of the end of any month, so that it will not apply to salary subsequently earned, by giving at least thirty days written notice of the date of termination; and provided, further, that no more than one agreement for such salary reduction may be made within any taxable year of the employee.

The amount of the salary reduction shall be:

_____ (1) The amount that would otherwise be deducted from the employee's basic salary as the employee annuity contribution in accordance with Lebanon Valley College's TIAA-CREF Retirement Plan (currently 5% of gross salary).

AND

_____ (2) the amount of (1) above plus _____% of gross salary, which will produce a total contribution that does not exceed the employee's statutory exclusion allowance under Section 403(b) or the limitations of Section 415 of the Internal Revenue Code, whichever is less.

(additional % to retirement annuity)

(additional % to SRA)

OR

_____ (3) the amount of (1) above plus \$ _____ per pay period, which will produce a total contribution that does not exceed the employee's statutory exclusion allowance under Section 403(b) or the limitations of Section 415 of the Internal Revenue Code, whichever is less.

(additional \$ to retirement annuity)

(additional \$ to SRA)

It is understood that the amount defined in (1) above will be paid to the employee's Retirement Annuities used under the Lebanon Valley College Retirement Plan. It is further understood that if (2) or (3) is checked, the difference between (1) and (2) or (3) will also be paid to TIAA-CREF, either as additional premiums to the employee's Retirement Annuities or to the employee's cashable Supplemental Retirement Annuities.

Signed this _____ day of _____, 20____.

(Employee)

By

(Name) (Title)
LEBANON VALLEY COLLEGE

How to Complete the Agreement for Salary Reduction

1. Print your name in the appropriate space.
2. Enter in the appropriate space the date that tax-deferred contributions are to begin.
3. Indicate the amount or percentage of the salary reduction in the appropriate space.
 - a) All employees should write 5% in the space before (1).
 - b) If you have an additional percentage (more than 5%) of your salary withheld, write the difference between the percentage (i.e. 7%) and 5% in the space before (2) and in the space provided in paragraph (2).¹
 - c) If you have an additional dollar amount (i.e. 5% plus \$100) withheld from your salary, write the additional dollar amount in the space before (3) and in the space provided in paragraph (3).¹
 - d) IF YOU HAVE AN SRA CONTRACT, please note the amount that should be remitted to the SRA contract in either (2) or (3).
4. Date and sign the form *in the presence of* either the Controller or the Vice President for Administration.
5. The form will be permanently filed in the College business office.

¹ The statutory exclusion allowance under Section 403(b) or the limitations of Section 415 of the Internal Revenue Code refer to a maximum contribution which may be tax deferred for retirement purposes. The maximum amount is approximately 15% - 16% of gross salary; however, this amount is dependent upon a number of factors. To determine the maximum deduction available to you, you may contact TIAA-CREF at 1-800-842-2776 or ask the College to contact TIAA-CREF for you.