

THE SPENCE SCHOOL

AGREEMENT FOR SALARY REDUCTION

BY THIS AGREEMENT, MADE BETWEEN \_\_\_\_\_ (The "Employee") and The Spence School (the "Institution"), the parties hereto agree as follows:

Effective with respect to amounts earned on or after the first of \_\_\_\_\_, 200\_\_\_\_, which date is subsequent to the execution of this Agreement, the employee's salary will be reduced by the amount indicated below. At the same time, the Institution will contribute a corresponding amount to the Employee's annuity contracts or custodial accounts that the Employee will allocate among the funding vehicles approved by the Institution.

Furthermore, if the Employee is required under the terms of the Employer's Retirement Plan, the Employee acknowledges that the Employee's salary will be reduced by the amount that is required to be contributed to the Employer's Retirement Plan as a condition of the Employee's employment with the Employer, as set forth in the Employer's Retirement Plan.

This Agreement shall be legally binding and irrevocable for both the Institution and the Employee with respect to amounts paid while employment continues. The Employee may not terminate or modify in any way the salary reduction attributable to the amount indicated in (1) below while employment continues. However, either party may terminate salary reduction attributable to the difference between (1) and (2) below as of the end of any month (or pay period, if applicable) by giving at least thirty days written notice of the date of termination so that this Agreement will not apply to salary subsequently paid. *One Salary Reduction Agreement is permitted during any calendar quarter.*

THE AMOUNT OF THE SALARY REDUCTION SHALL BE:

- 1) The amount that is specified as the Employee's contribution under the Institution's retirement plan (5%):  
**OR**
- 2) The amount specified in 1) above plus \$ \_\_\_\_\_ OR \_\_\_\_\_ %\* per pay period which will produce a total Institution contribution that does not exceed the Employees' statutory exclusion allowance under IRC Section 403(b) or the limitations of IRC Section 415 or Section 402(g), whichever is less.

For employees age 50 or over, an additional catch-up contribution of \$ \_\_\_\_\_ shall be contributed. This amount must not exceed the statutory limitation under IRC Section 414(v). \*

THE AMOUNT DESIGNATED IN (1) ABOVE WILL BE CONTRIBUTED BY THE INSTITUTION TO THE FOLLOWING AUTHORIZED FUNDING VEHICLES:

TIAA-CREF RA - 100%

IF (2) ABOVE IS CHECKED, THE DIFFERENCE BETWEEN (1) AND (2) WILL BE CONTRIBUTED BY THE INSTITUTION TO THE FOLLOWING AUTHORIZED FUNDING VEHICLES:

TIAA-CREF RA \$ \_\_\_\_\_

TIAA-CREF Group SRA \$ \_\_\_\_\_

Signed this \_\_\_\_ day of \_\_\_\_\_, 200\_\_

\_\_\_\_\_  
Employee Signature

THE SPENCE SCHOOL

By: \_\_\_\_\_  
Benefits & Payroll Administrator

*\*This amount should be reviewed with the Benefits & Payroll Administrator prior to the execution of this Agreement.*