



FRIENDS UNIVERSITY

SALARY REDUCTION AGREEMENT

BY THIS AGREEMENT, made between _____ (the "Employee") and Friends University (the "Institution"), we agree as follows:

Effective with respect to amounts paid on or after _____, 20____ which date is subsequent to the execution of this agreement, the Employee's monthly basic salary will be reduced by the amount indicated below. At the same time and upon meeting eligibility, the Institution will contribute a corresponding amount (currently up to 5%) to the Employee's annuity contracts (or custodial accounts) which will be allocated among the funding vehicles as designated by the Employee.

This Agreement shall be legally binding and irrevocable for both the Institution and the Employee while employment continues. However, either party may terminate or otherwise modify this Agreement as of the end of any month (or pay period, if applicable) 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 one):

Retirement Choice (RC) – Matching and Supplemental

- 1. _____% of Employee's basic monthly salary.
- 2. A fixed dollar amount of \$_____ each pay period (monthly)*.

The above amount will produce a total Institution contribution that does not exceed the Employee's statutory limitation under IRC 415 or Section 402(g), whichever is less. For employees age 50 and over, this amount will include any additional catch up contribution permitted under IRC 414(v). Please refer to the Summary Plan Description for additional information about the plan.

EMPLOYEE'S SIGNATURE

SOCIAL SECURITY # _____

DATE: _____

RECEIVED FOR FRIENDS UNIVERSITY

BY: _____

DATE: _____

*this amount should be reviewed by the Human Resource Office prior to the execution of this Agreement.