

**FLUSHING COMMUNITY SCHOOLS  
TAX SHELTERED ANNUITY OR CUSTODIAL ACCOUNT PURCHASE  
AGREEMENT (COMPENSATION REDUCTION AGREEMENT)**

In order to make contributions to a tax sheltered annuity contract or custodial account pursuant to the terms of Section 403 of the Internal Revenue Code of 1986, as amended, (hereinafter "the Code") it is hereby agreed by and between the Employee listed in Part 1 (Employee) and the Flushing Community Schools (Employer), as follows:

**Part 1. Employee Information**

Name: \_\_\_\_\_ S.S.#: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

**Part 2. Contribution Information:** (Select all that apply)

- Initiate new salary reduction      Please deduct the amount of \$ \_\_\_\_ per pay for \_\_\_\_ pays.
- Change salary reduction      This is notification to change the amount of my TSA salary reduction from \$ \_\_\_\_\_ to \$ \_\_\_\_\_ per pay.
- Roth Deferral Election      Percentage/Amount of each deduction to be made on a Roth (after-tax) basis: \$ \_\_\_\_\_ or \_\_\_\_\_%.
- Change service provider      This is notification to change my Service Provider (indicate amounts in Part 3) from \_\_\_\_\_ to \_\_\_\_\_.
- Discontinue salary reduction      Please discontinue my TSA salary reduction with the Following Service Provider: \_\_\_\_\_.
- Employee is utilizing catch-up provisions/special elections      Yes \_\_\_\_\_ No \_\_\_\_\_

Implementation date: Salary reduction instructions shall be implemented in accordance with the Flushing Community Schools Tax-Sheltered Annuity Plan documents. Employee is responsible for establishing an account with the Service Provider before any amounts are transmitted to the Service Provider by the Employer.

**Part 3. Service Provider**

| \$ Per Pay | Service Provider |
|------------|------------------|
|            |                  |

EMPLOYER: FLUSHING COMMUNITY SCHOOLS

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

EMPLOYEE:

Dated: \_\_\_\_\_

\_\_\_\_\_

**By signing above, Employee acknowledges receipt of attached Part 4, Additional Terms of Agreement.**

## Part 4: Additional Terms of Agreement

A. NOTWITHSTANDING PARTS 1-3 ABOVE, THE EMPLOYER ASSUMES NO RESPONSIBILITY FOR AND MAKES NO REPRESENTATION CONCERNING TREATMENT FOR FEDERAL, STATE OR LOCAL TAX PURPOSES OF AMOUNTS PAID FOR AND/OR RECEIVED UNDER ANY ANNUITY CONTRACT OR CUSTODIAL ACCOUNT PURCHASED UNDER THIS AGREEMENT. THE RESPONSIBILITY FOR COMPLYING WITH APPLICABLE STATUTORY AND PLAN REQUIREMENTS IS WITH THE ANNUITY CONTRACT SALES AGENCY, CUSTODIAL ACCOUNT REPRESENTATIVE, OR INVESTMENT PROVIDER SELECTED BY THE EMPLOYEE TO PROVIDE AN ANNUITY CONTRACT OR CUSTODIAL ACCOUNT TO WHICH DEFERRALS WILL BE MADE UNDER THIS AGREEMENT. THE ANNUITY CONTRACT SALES AGENCY, CUSTODIAL ACCOUNT REPRESENTATIVE OR INVESTMENT PROVIDER WILL ASSIST THE EMPLOYEE WITH MEETING APPLICABLE REQUIREMENTS SPECIFIED IN PARAGRAPHS C AND I. IF THE EMPLOYEE HAS MORE THAN ONE ARRANGEMENT TO MAKE COMPENSATION REDUCTION AGREEMENT CONTRIBUTIONS TO AN ANNUITY CONTRACT AND/OR CUSTODIAL ACCOUNT, THE EMPLOYEE AGREES TO DISCLOSE AND INFORM EACH AFFECTED ANNUITY CONTRACT SALES AGENCY, CUSTODIAL ACCOUNT REPRESENTATIVE AND INVESTMENT PROVIDER OF ALL OF THE RELEVANT INFORMATION. IF THE EMPLOYEE MAKES CONTRIBUTIONS DIRECTLY TO AN INVESTMENT PROVIDER OF CUSTODIAL ACCOUNTS OR ANNUITY CONTRACTS WHICH DO NOT OFFER ASSISTANCE IN SATISFYING THESE REQUIREMENTS, THEN THE EMPLOYEE AGREES TO RETAIN A QUALIFIED TAX PROFESSIONAL TO ASSIST THE EMPLOYEE IN COMPLYING WITH THIS AGREEMENT.

B. Notwithstanding Parts 1-3 above, the Employer shall not be obligated to pay any amount to any annuity company, Annuity Contract Sales Agency, Custodial Account Representative or custodial account if the amount then due from said Employer to the Employee is less than the dollar amount of compensation reduction set forth in Part 2, nor shall the Employer incur any responsibility or obligation to the Employee with respect to any annuity contract or custodial account purchased or contributed to pursuant to this Agreement other than responsibility for the transmission of funds resulting from the reduction of compensation provided for herein for the purchase of or contribution to such annuity contract or custodial account.

C. Notwithstanding Parts 1-3 above, no Agreement will be accepted by the Employer unless the Annuity Contract Sales Agency or Custodial Account Representative or Investment Provider prepares and delivers sufficient documentation (in the form approved by the Employer) to the Employer which demonstrates that the Employee is entitled to the compensation reduction (elective deferral) amount set forth in this Agreement pursuant to the provisions of Code Section 402(g) and that the total amount of contributions (including employer contributions and elective deferrals) will not cause the Code Section 415 annual addition limitations to be exceeded. The demonstration must take into account all 403(b) plans, 401(k) plans, SEPs described in Code Section 402(b)(1)(B) and SIMPLE retirement accounts described in Code Section 408(p)(2)(A)(i). The demonstrations may take into account any special elections available to the Employee under Code Section 414(v), if applicable. Such Code §414(v) "catch-up" deferrals may be made only after any available "catch-up" deferral under Code §402(g)(7) is exhausted. If the Employee participates in any plan which permits Roth deferrals, the demonstrations must also take into account the requirements of Code §§402(g), 402A and 415(c) applicable to such deferrals. Under this Agreement, excess deferrals are prohibited. The Employee agrees that in the event that excess deferrals are made, excess deferrals and income shall be returned in the manner provided in Code Section 402(g) (or corresponding provision of future tax law). All distributions shall comply with the provisions of Treas. Reg. §1.402(g)-1(e)(2) or (3) (which provisions are hereby incorporated by reference). Excess deferrals and earnings under this Agreement which are attributable only to this Employer, shall be automatically returned to the Employee by the Annuity Contract or Custodial Account. The Employee shall designate amounts as excess deferrals which are attributable to multiple employers and/or multiple contracts.

D. No after-tax contributions will be allowed or accepted other than Roth deferrals.

E. This Agreement applies only to the amounts currently available to the Employee after the effective date of the Agreement, and is legally binding and irrevocable with respect to amounts earned while the Agreement is in effect.

F. Subject to the provisions of paragraph E above, this Agreement shall continue to be effective for this calendar year and each subsequent calendar year until a new Agreement is executed or this Agreement is modified (subject to the provisions of paragraph E above) or terminated. However, the Employer may limit, reduce or terminate contributions only as required to comply with Internal Revenue Code limitations.

G. The Employee retains the right to terminate the Agreement in its entirety for amounts not currently available by filing a written statement with the Employer which states that the Agreement shall be terminated.

H. Other terms and conditions of employment between the Employee and the Employer shall not be affected by this Agreement and in the event of any conflict, the terms of an Employee's contract of employment shall prevail.

I. The Flushing Community Schools Tax-Sheltered Annuity Plan (Master Document) and this Tax Sheltered Annuity or Custodial Account Purchase Agreement, the annuity contract or custodial account, and any relevant written employment contracts or written employment policies, shall together constitute the applicable plan documents for the Flushing Community Schools Tax-Sheltered Annuity Plan. To the extent that any provision in a document is inconsistent with the Flushing Community Schools Tax-Sheltered Annuity Plan (Master Document), the provisions of the Master Document are controlling.