
**2012 PLAN YEAR
SALARY REDUCTION AGREEMENT
FOR TAX SHELTERED CONTRIBUTIONS**

Effective Date: _____

_____, an organization exempt
(Temple)
from tax under Internal Revenue Code section 501(c)(3) (hereinafter referred to as the "Employer"), and

(Employee)
a common law Employee (hereinafter referred to as the "Employee"), desire to enter into a legally binding salary reduction agreement with respect to amounts earned after the above effective date as permitted by Code section 403(b) and the regulations thereunder so that the Employee may exclude from gross income the contributions made by the Employer on behalf of the Employee pursuant to this agreement toward the plan named below.

The Employee and Employer understand that the contributions originate and the tax deferral applies to amounts derived through a reduction of the Employee's salary and the Employer acts as a conduit for contributions. The Employee is permitted to make more than one agreement with the same Employer during any taxable year of such Employee. This agreement is irrevocable with respect to amounts earned while the agreement is in effect. The Employee may be permitted to terminate or amend the entire agreement with respect to amounts not yet earned.

If the contributions under this agreement are based on a prescribed percentage of salary rather than a fixed dollar amount, the mere change in the amount of contributions pursuant to this agreement because of an increase or decrease in salary during the year will not constitute a new agreement.

Effective as of the date above, the Employer and the Employee agree that the annual compensation of the Employee shall be reduced by the following percentage or amount _____,

(Annual % or Amount)*

and the Employer will make contributions to the Employee's account at the Reform Pension Board.

The amount of the contributions made by the Employer on behalf of the Employee pursuant to this salary reduction agreement shall be the amount by which the Employee's annual compensation is reduced under this agreement.

This agreement will remain in full force and effect during the continued employment of the Employee until it is terminated either by the execution of a new salary reduction agreement or by any other written agreement signed by the parties to terminate this agreement.

Name of Employer

Name of Employee

City State

Signature of Employee

By

Title

*See examples in the last paragraph on page 2.

Notes on the Salary Reduction Agreement

Your Salary Reduction Agreement is a written, legally binding agreement between you and your Employer. It is an agreement whereby you direct your Employer to reduce your salary by a specific percentage or amount. Your Employer then sends this amount to the Reform Pension Board as a contribution to your account.

DO NOT send the agreement to the Reform Pension Board or the IRS.

Salary reduction/tax sheltered contributions are subject to Social Security (FICA) taxes for non-rabbis. Rabbis who are considered self-employed for Social Security purposes are not required to pay Self-Employment (SECA) taxes on these salary reductions.

You may continue an agreement from year to year. Salary Reduction Agreements only apply to future compensation and cannot be made retroactive. You may amend or cancel your Salary Reduction Agreement at any time with respect to future salary.

For most people, it is wise to designate salary reduction contributions as a percentage of salary rather than a fixed dollar amount. If your salary increases during the year, your contributions will increase automatically. If you are contributing a fixed percentage, enter the percentage (for example, 3%) on the appropriate line. Alternatively, you may specify a dollar amount (for example, \$2,000). The maximum dollar amount that can be designated for the 2012 RPB plan year is \$16,500 (\$22,000 for participants 50 years of age or older).

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