

This is an official City document. Salary reduction contributions will NOT be made to the 403(b) Plan on your behalf until you have completed and returned this Agreement AND a copy of your Provider enrollment form to the City of Boston Treasury Department. Failure to submit your Salary Reduction Agreement and Provider enrollment forms will result in a delay in the implementation of your deduction request.

**CITY OF BOSTON 403(b) PLAN
SALARY REDUCTION AGREEMENT**

I. EMPLOYEE INFORMATION

Employee Name (First, M.I., Last)

Employee Date of Birth

Employee Address (Street, City, State, ZIP)

____-____-_____
Employee ID No.

____-____-_____
Social Security Number

This Salary Reduction Agreement ("Agreement") is entered into by the above employee ("Employee") of the City of Boston ("City") and the City in order for salary reduction contributions to be made to the City of Boston 403(b) Plan ("Plan") under Section 403(b) of the Internal Revenue Code (the "Code").

II. AUTHORIZATION TO MAKE SALARY REDUCTION CONTRIBUTIONS

I hereby direct the City to reduce my salary on a *pre-tax* basis by \$_____ per pay period (enter a whole dollar amount), and to forward this salary reduction contribution to the administrative service provider for investment as directed in Section III.

If you have 15 or more years of service and have averaged less than \$5,000 per year in elected deferrals, do you wish to withhold an amount in excess of \$17,000 during the calendar year?

- Yes, I would like to withhold the allowable amount during calendar year 2012
 No

If you will be 50 years of age by December 31, 2012, do you wish to withhold an amount in excess of \$17,000 during calendar 2012?

- Yes, I would like to withhold the maximum amount during calendar year 2012
 Yes, I would like to withhold an additional _____ during calendar year 2012
 No

III. INVESTMENT DIRECTION

I hereby direct that my salary reduction contributions under Section II be remitted to the following investment options available under the Plan in the percentages I have indicated.

<u>Available Investment Options</u>	<u>Asset Class</u>	<u>Per Pay Period</u>
AIG/VALIC (Variable Annuity Life Insurance Co.)	Annuity	_____ %
American United Life Insurance Company	Annuity	_____ %
Ameriprise Financial Services, Inc.	Annuity	_____ %
Ameritas Life Insurance Corporation	Annuity	_____ %
AXA Equitable Life Insurance Company	Annuity	_____ %
Commonwealth Annuity and Life Ins. Co.	Annuity	_____ %
Fidelity Investments	Mutual Funds	_____ %
Great American Advisors, Inc.	Annuity	_____ %
Great American Financial Resources, Inc.	Annuity	_____ %
Horace Mann	Annuity	_____ %
Kemper Annuity and Life Ins. Co.	Annuity	_____ %
Lincoln Investment Planning	Mutual Funds	_____ %
Lincoln National Life Insurance Company	Annuity	_____ %
MetLife	Annuity	_____ %
MetLife of CT	Annuity	_____ %
Midland National Life	Annuity	_____ %
New York Life Insurance Company	Annuity	_____ %
Protective Life	Annuity	_____ %
The Union Central Life Ins. Co.	Annuity	_____ %
	TOTAL =	<u>100</u> %

Select no more than two (2) providers

IV. DURATION OF AGREEMENT

I understand that this Agreement will take effect as soon as administratively practicable following the date I complete this Agreement and return it to City of Boston Treasury Department, and will remain in effect until I change or terminate it by submitting a new Agreement. I acknowledge that this Agreement applies only to salary not yet paid or made available to me. I acknowledge that City may revoke or modify this Agreement at any time if necessary to comply with the applicable provisions of the Internal Revenue Code.

V. EMPLOYEE REPRESENTATIONS AND UNDERSTANDINGS

Applicable Contribution Limits

- I understand that my salary reduction contributions under this Agreement cannot exceed the applicable contribution limits under Code Section 402(g) or 415(c), except as permitted by Code Section 414(v) allowing age 50 catch-up contributions.
- If I have attained 15 or more years of service and have averaged less than \$5,000 per year in elected deferrals with the employer taking into account only employment with the employer, I understand that I may make additional "catch-up" salary reduction contributions above the general dollar limit. These additional catch-up salary reduction contributions, which are referred to as "catch-up limitation for employees with 15 years of service contributions," are provided under Internal Revenue Code. I understand that the amount of the catch-up contributions that I may make above the general dollar limit is an amount equal to the permissible limit under the Code.
- I understand that Code Section 402(g) limits my salary reduction contributions under this Agreement to a "general dollar limit." The general dollar limit is \$17,000 for calendar year 2012. However, my actual general dollar limit may be higher than the general dollar limit if I will be 50 years old or older by the end of the calendar year.
- If I will be at least 50 years old by the end of the calendar year, I understand that I may make additional "catch-up" salary reduction contributions above the general dollar limit. These additional catch-up salary reduction contributions, which are referred to as "age 50 catch-up contributions," are provided under Code Section 414(v). I understand that the amount of the age 50 catch-up contributions that I may make above the general dollar limit is an additional \$5,500 for 2012.
- I understand that the applicable dollar limit generally applies to any contributions I make on a pre-tax basis in a calendar year to any retirement plans in which I participate, including plans maintained by other employers.
- I understand that, if my salary reduction contributions to this Plan and to other retirement plans exceed the applicable dollar limits described above in any calendar year, the excess will be taxable both in the year the contribution was made and in the year of distribution unless I timely request to have the excess returned to me. To have the excess returned to me I must notify the City or the administrative service provider of the excess before March 1 of the year following the year in which the excess contribution was made (e.g. March 1, 2013, for excess amounts contributed in 2012). If the notice is timely given, the excess contribution, with any accrued earnings, will be distributed to me on or before April 15 of the year following the excess contribution.
- I understand that my salary reduction contributions to the Plan and other retirement plans for each year are also limited, except as permitted under Code Section 414(v) allowing age 50 catch-up contributions, by the general rules of Code Section 415.

Additional Representations

- I understand that this Agreement is legally binding and irrevocable with respect to amounts earned while the Agreement is in effect. Therefore, amounts previously withheld from my pay under the terms of this Agreement cannot be returned to me unless I am eligible for a distribution under the terms of the Plan.
- I authorize the City, the City's administrative service provider, and any other vendor(s) that may be holding assets previously contributed to the Plan on my behalf to share any information that they may reasonably deem appropriate in order to calculate my contribution limits or to administer my Plan account.
- I acknowledge that the City does not warrant the performance or the appropriateness of any investment option and will not be responsible for any penalties or tax consequences resulting from this Agreement.
- I acknowledge that I shall be responsible for all expenses of administering my account(s) and that these expenses shall be either paid from my account(s) or deducted from my contributions before they are remitted to the providers.
- I understand that nothing contained in this Agreement shall be deemed to constitute an employment agreement or confer upon me any right to continued employment with the City.
- I will provide a copy of any provider enrollment forms to the City.

VI. SIGNATURES

I have read the information on this Agreement and represent that I understand the same. I agree to follow the rules and procedures of the Plan and the administrative service provider.

DATE

EMPLOYEE'S SIGNATURE

DATE

SIGNATURE OF AUTHORIZED CITY REPRESENTATIVE

FOR OFFICIAL USE ONLY	
Date of Processing:	_____
Signature of Authorized Official	_____