



## CLAFLIN UNIVERSITY

### Agreement for Salary Reduction under Section 403(b)

By this Agreement, made between \_\_\_\_\_ (the Employee) and Claflin University, we agree as follows:

Effective for amounts paid on or after \_\_\_\_\_, 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, Claflin University will contribute a corresponding amount to the Employee's annuity contracts (or custodial accounts) which the Employee will allocate among the funding vehicles approved by Claflin University.

This Agreement shall be legally binding and irrevocable for both Claflin University 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 \_\_\_\_\_ % of gross annual salary or \$ \_\_\_\_\_ Net Pay per pay period. This amount will produce a total Claflin contribution that does not exceed the Employee's statutory limitation under 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 414(v), for 2023 the maximum amount is \$7,500.

**NOTE:** Amounts are subject to applicable limits in the Internal Revenue Code. For 2023, the maximum contribution is \$22,500. If you are 50 years of age or older you may defer \$30,000 in 2023. Any excess will be refunded to you and such amounts will be treated as salary.

The employee and employer contribution will be forwarded to:

TIAA Retirement Annuity

The amount of employee contribution that is not matched, will be forwarded to:

TIAA (Group) Supplemental Retirement Annuity

Signed this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Claflin University