

Salary Reduction Agreement

403(b) Retirement Plan

Return to your employer when completed.

PARTICIPANT INFORMATION

Participant name: _____ Social Security number: _____

PARTICIPANT ELECTION

I, the undersigned participant, hereby elect to:

- initially reduce my salary by _____ (whole percentage or dollar amount) of compensation (not to exceed applicable legal limitations).
- change my existing salary reduction amount to _____ (whole percentage or dollar amount) of compensation (not to exceed applicable legal limitations).
- cease my salary reduction contributions.

EFFECTIVE DATE

- Make the effective date of this agreement the first day of the next pay period.
- Make the effective date of this agreement as of : ____/____/____ . (Date must be prospective.)

PARTICIPANT SIGNATURE

I understand that the amount of such reduction, pursuant to this election, will be withheld from my paychecks and paid by my employer into my account in the plan. I further understand that written notice must be given before the effective date of any modification. This election will remain in effect until I revoke it in writing or until I complete a new Salary Reduction Agreement.

Participant signature: _____ Date: ____/____/____

EMPLOYER SIGNATURE

Employer signature: _____ Date: ____/____/____

Plan name: _____



Information about the Salary Reduction Agreement

Use of form

You may use this form to: (1) make an initial salary reduction agreement, (2) change the amount of your existing salary reduction contributions, or (3) stop your salary reduction contributions.

General information

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 compensation not yet currently available (referred to as "your salary") by a specific percentage or amount. Your employer then sends this amount to the plan or plans specified in the agreement as a tax-sheltered contribution to your account in accordance with Section 403(b) of the Internal Revenue Code ("Code"). Your employer may also make contributions to the plan in addition to your contributions.

You may change the percentage or amount of your salary reduction agreement at any time for compensation not yet currently available. Your current Salary Reduction Agreement will continue until you sign a new salary reduction agreement.

For most people, it is wise to designate tax-sheltered contributions as a percentage of salary rather than a fixed dollar amount. If your salary increases during the year, your contributions will increase automatically without having to make a new agreement.

You may cancel your Salary Reduction Agreement at any time with respect to compensation not yet currently available.

Limitations on contributions

The Internal Revenue Code limits the amount of tax-sheltered contributions that you may make each calendar year. Failure to comply with the Code Section 402(g) limit on tax-sheltered contributions may disqualify the tax-favored status of your account. Effective after December 31, 2001, tax-sheltered contributions that meet the requirements of Code Section 414(v) are not counted for purposes of determining the Code Section 402(g) limit. Once tax-sheltered contributions in a calendar year reach the Code Section 402(g) limit, subsequent tax-sheltered contributions will be treated as contributions under Code Section 414(v), to the extent the requirements for that section are met. GuideStone Financial Resources of the Southern Baptist Convention can assist you in determining your annual maximum contribution limits. This is particularly important if you coordinate your tax-sheltered contributions with your employer's fiscal budget year or participate in more than one plan.

For more details regarding contribution limits, please contact GuideStone at **1-800-262-0511**.

Execution of the agreement

You and an appropriate business officer of your employer should sign the Salary Reduction Agreement. Keep a copy of the agreement with your tax records. Your employer should keep the original agreement. **DO NOT** send the agreement to GuideStone Financial Resources of the Southern Baptist Convention or the Internal Revenue Service.