

SALARY REDUCTION AGREEMENT

By THIS AGREEMENT, made between _____ (Employee) and Allegheny College, the parties agree as follows:

Effective for amounts paid on or after the first day of _____, 2020 (which date is after the execution of this Agreement), the Employee's salary will be reduced by the amount indicated below. At the same time, the College will contribute a corresponding amount to the Employee's annuity contracts identified in 1a or 1b below, which the Employee will allocate among the funding vehicles approved by the College.

This Agreement shall be legally binding and irrevocable for both the College and the Employee while employment continues. However, either party may terminate or modify this Agreement as of the end of any month 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:

(1a) _____ 6% of pre-tax gross salary per pay period as provided for under the College's Defined Contribution Retirement Plan,

_____ 6% of post-tax gross salary per pay period as provided for under the College's Defined Contribution Retirement Plan,

(combination between pre and post-tax contributions can be made. The total % contribution must equal 6%)

OR

(1b) _____ 4 % of pre-tax gross salary per pay period as provided for under the College's Defined Contribution Retirement Plan;

_____ 4 % of post-tax gross salary per pay period as provided for under the College's Defined Contribution Retirement Plan,

(combination between pre and post-tax contributions can be made. The total % contribution must equal 4%)

AND/OR

(2) _____ \$ _____ per pay period or _____ maximum amount permitted by law on a pre-tax basis

(3) _____ \$ _____ per pay period or _____ maximum amount permitted by law on post-tax basis

(4) _____ \$ _____ per pay period additional catch-up contribution for employees over age 50.
This amount cannot exceed the statutory limitation under IRC Section 401(v).

(5) _____ Discontinue salary reductions.

(6) _____ I do not wish to enroll at this time.

By _____ Date _____/_____/_____
(Employee Signature)

Note: You may choose between pre-tax elective deferrals or after-tax Roth contributions. You may choose either or both, but the total amount contributed cannot exceed the statutory limitation under IRC Section 415 or Section 402(g), whichever is less. You should review your elections with the Human Resources Office prior to the execution of this Agreement to ensure that the annual maximum is not exceeded. This completed form must be returned to the Human Resources Office, Bentley Hall, Box 4.