

**BIRMINGHAM PUBLIC SCHOOLS
MASTER DEFERRED COMPENSATION PLAN (IRC 457)
PARTICIPATION AGREEMENT**

Consult the "Instructions" page for important information about this form, and about certain amendments to the Internal Revenue Code (IRC).

I. Please Read: An employee may change at any time the deferred compensation amount and/or the investment selection to which the money is being sent by completing a new Participation Agreement. All changes in the amount of deferred compensation and/or investment selection will become effective within 10 calendar days of receipt of the Participation Agreement in the Payroll office. In addition, a Participation Agreement may be terminated with respect to compensation not yet earned, provided a Participation Agreement form is completed to terminate the prior agreement.

Check One: Original Designation Amended Designation Termination of Agreement Deferred Compensation Vendor Change

II. Deferred Compensation Agreement

1. This Agreement is made this _____ day of _____, _____, by and between the School District, hereinafter "Employer", and _____, hereinafter "Employee."

Effective Date	Deferred Compensation Vendor	\$ Per Pay Period (to stop an agreement, enter \$0)	Calendar Year Goal (Required)

(See your financial advisor or tax consultant for more information.)

2. This Agreement shall continue until the Employee completes another Participation Agreement either amending or terminating this Agreement or upon termination of employment.

3. **The Employee is solely responsible for compliance with maximum limitations on contributions, including the limits under Section 457 of the IRC and related regulations. The Employee is hereby advised to consult his/her own financial or tax advisor before signing this Agreement. THE EMPLOYEE AGREES TO INDEMNIFY AND HOLD HARMLESS THE EMPLOYER FROM ANY CLAIMS, DEMANDS, JUDGMENTS, COSTS, OR EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) ARISING OUT OF OR RELATING TO THIS AGREEMENT. EXCESS CONTRIBUTIONS ARE THE RESPONSIBILITY OF THE EMPLOYEE AND MAY REQUEST, BUT NOT LATER THAN MARCH 1 AFTER THE CLOSE OF SUCH TAXABLE YEAR, ANY PORTION OF "EXCESS DEFERRALS" BE RETURNED. IF A RETURN OF "EXCESS DEFERRALS" IS MADE, THE RETURN SHALL BE MADE NOT LATER THAN APRIL 15 AFTER THE TAXABLE YEAR FOR WHICH THE "EXCESS DEFERRALS" OCCURRED.**

4. I, the Employee, understand that there may be IRS restrictions, limitations on contributions, and tax penalties on early withdrawals. I understand that before completing this Agreement, I should receive professional consultation outside the School District on such issues. I understand that this Agreement is legally binding, and the Employer shall have no liability whatsoever for any loss or damages suffered by the Employee. I have completely read this Agreement and the instructions on the reverse side of this Agreement. I have completed any and all enrollment form(s) required by the vendor of the investments selected.

Employee Signature: _____ Date: _____

Employee ID number: _____

Financial Advisor: _____ Financial Company: _____ Phone: _____

Payroll: _____ Date: _____ Entered by: _____ Date: _____

INSTRUCTIONS FOR PARTICIPATION AGREEMENT

Please complete all sections of the Participation Agreement. Return original to the Payroll office. Retain a copy for your records. The following instructions will assist you in completing the form to ensure there are no delays in the effective date and your salary is reduced by the correct amount.

Important IRC Changes in Tax Law and Limits: Deferrals of compensation under this Agreement for a calendar year may not exceed the IRC limit under Section 457 . SEE YOUR FINANCIAL ADVISOR OR TAX CONSULTANT REGARDING THE IRC LIMITATION ON CONTRIBUTIONS TO THE PLAN.

I. Check One: Check Original if this is the first time you are entering into an agreement or are reestablishing an agreement. Check Amended if you are amending an existing agreement (changing dollar amounts). Check Termination if you are stopping the existing agreement. Check Investment Selection Change if you are changing the investment selection to which money is being sent.

II. Employer/Employee Agreement: Print your name so that it is legible.

- **Effective Date and Amount**

Enter "ASAP" or the pay period start date (deductions will start the first full payroll period after this date). Enter the total dollar amount for each pay period, up to the maximum annual contribution limits pursuant to the IRC. To stop a current deduction, enter the effective date and \$0 for the amount.

- **Investment Selection Information**

Investment Selection: List all investment selections, for "original," "amending," "terminating," or "changing." If you are amending or changing, list all investment selections and show the dollar amount. To delete an investment selection, list all investment selections and show zero dollars for the investment selection(s) being deleted.

Amount per Pay Period: Enter the dollar amount per investment selection per pay period. A zero dollar amount is entered when terminating participation with an investment selection or an agreement.

Calendar Year Goal: Enter your total desired dollar contribution amount per investment selection for the calendar year. The total amount entered for all investment selections cannot exceed the IRS annual limits on contributions.

- **Signature and Date**

Items 2-4 provide you with important information on IRS regulations that apply to this Master Deferred Compensation Plan and your responsibilities. By signing this form, you are certifying that you have read and understand these items.

- **Financial or Tax Advisor**

If you complete this form with a financial or tax advisor, fill in the advisor's name, company, and telephone number.

INVESTMENT SELECTION ACCOUNT APPLICATION/ENROLLMENT FORM(S)

To open an account with any of the approved investment selections, you must complete the appropriate investment selection form(s) and provide the investment selection's form(s) directly to the investment selection vendor or its agent prior to arranging your payroll deduction.

The Participant Understands That:

1. The purpose of the Employer in extending this Agreement is to provide the Employee with an opportunity to benefit from the provisions of the Internal Revenue Code that govern Master Deferred Compensation Plans under IRC 457 Plans.
2. The Employer makes no recommendation as to whether the Employee should participate in this Master Deferred Compensation Plan.
3. The Employer does not warrant any particular tax consequences to the Employee.
4. All computations in connection with the determination of the amount of the deferred compensation hereby authorized are the sole responsibility of the Employee.

Dates and limits are subject to change