



EPC

A Global Movement of Evangelical Presbyterian Churches

SALARY REDUCTION AGREEMENT

Date: _____

_____ (name of church, judicatory or agency), an organization exempt from tax under Internal Revenue Code Section 501(c)(3), (hereinafter referred to as the "Employer"), and _____ (minister or employee) a common law employee (hereinafter referred to as the "Employee") desire to enter into a legally binding salary reduction agreement (hereinafter referred to as the "Agreement") with respect to amounts made currently available to the Employee after the above effective date, as permitted by Code Section 403(b) and the regulations thereunder, so that the Employee may exclude from his gross income or contribute as an after-tax Roth contribution his Employer's contributions pursuant to this Agreement toward the Plan named below.

The Employee and Employer understand that the contributions originate and the tax deferral applies to amounts derived through a reduction of the Employee's salary or through the Employee foregoing a salary increase, and the Employer acts as a conduit for contributions. The Employee is not permitted to make more than one agreement with the Employer during any taxable year of such Employee; and this Agreement is irrevocable with respect to amounts made currently available after the effective date of this Agreement. However, the Employee may be permitted to terminate the entire Agreement with respect to amounts not currently available.

If the contributions under this Agreement are based on a prescribed percentage of salary rather than a fixed dollar amount, the mere change in the amount of Employer's contributions because of an increase or decrease in salary during the year will not constitute a new agreement.

Effective as of the date above, the Employer and the Employee hereby agree that the annual compensation of the Employee shall be reduced by the following percentage or amount: _____ **pre-tax** Elective Contributions, and _____ **after-tax** Roth Contributions, and the Employer will make contributions to the Employee's retirement income account in the Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan to provide a retirement benefit which is fully vested, non-forfeitable and nontransferable. The amount of the Employer's contributions pursuant to this Agreement shall be the amount by which the Employee's annual compensation is reduced under this Agreement.

This Agreement will remain in full force and effect during the continued employment of the Employee until it is terminated either by the execution of a new salary reduction agreement or by execution of the Termination clause.

EMPLOYER

Church, Judicatory, or Agency

Employee

Authorized Representative

Employee Signature