

2025 403(b) Optional Salary Reduction Agreement



Name: _____ Gustavus ID: _____

By signing below, the employee elects to reduce salary in connection with their participation in the College's 403(b) retirement program. The employee makes the following optional election:

1. The employee elects to reduce salary/wages earned by a **total** amount of:

Pre-tax 403(b) Elective Deferral _____ % elected contribution

Roth 403(b) Elective Deferral (after-tax) _____ % elected contribution

The employee elects to OPT OUT of contributing to the Plan at this time _____

2. The amount of your salary will be deferred as indicated above. As soon as administratively practicable, the Institution will forward your contribution for investment in accordance with the Plan. You may allocate contributions among the investment options approved by the Institution. The College does not guarantee the investment performance of any of the investment options within the Plan.
3. The employee understands there are limits on the amount that can be credited to the qualified retirement plan during a **calendar** year, as set forth by the Internal Revenue Code. The 2025 contribution limit is a maximum of \$23,500, plus \$7,500 if the employee reaches age 50 by December 31, 2025, taking into consideration all plans in which the employee participates. Additionally, a higher catch-up contribution limit of \$11,250 applies for employees aged 60, 61, 62 and 63 who participate in these plans and reach, but not exceed, the respective age by December 31, 2025. **To avoid tax penalties, the employee must notify the College of any excess contributions by March 1 of the year following the calendar year in which contributions were made.**
4. This Agreement shall be legally binding and irrevocable for both the Institution 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 30 days' written notice so that this Agreement will not apply to salary subsequently paid.

(Employee Signature)

(Date)