



**REQUEST FOR REDUCTION IN SALARY AND AUTHORIZATION
TO PURCHASE TAX-SHELTER CONTRACT**

<input type="checkbox"/> Enrollment Application must be on file with company	<input type="checkbox"/> Change	<input type="checkbox"/> Cancel
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By this agreement made between _____ (employee) and Clemson University, Clemson, South Carolina (employer), the parties hereto agree as follows:

- Effective with respect to the amounts earned on or after **check date**: _____ (which date is subsequent to the execution of this agreement), the employer shall reduce the amount of the employee's currently budgeted salary by \$_____ **per designated pay period** for this tax shelter contract, except that such reduction in the salary of an employee whose appointment is on an academic year basis shall be limited to the months of September through April. The employer will pay the amount of such reduction to _____ (company) for the purchase of a non-forfeitable tax shelter contract effective upon receipt by the company to provide retirement benefits to said employee with ownership rights vested in the employee.
- This agreement shall be legally binding and irrevocable as to both parties hereto while employment continues; provided, however, that either party may subsequently change or terminate contributions for this agreement effective the first check date of any month with written and signed notification by the 15th of the previous month. Deductions in excess of the maximum allowed by applicable IRS regulations pertaining to tax sheltered contracts will not be permitted, and may be reduced or terminated by Clemson University to meet IRS requirements if necessary. Contributions for the 15 Year Rule Catch-up provision are not permitted by the Clemson University 403b plan.
- The said employer shall not be obligated to pay any amount to selected company above in excess of an amount then due from said employer to the employee, nor shall the employer incur any responsibility or obligation to the employee with respect to the tax shelter contract purchased pursuant to this agreement other than responsibility for the transmission of funds resulting from the reduction of salary provided for herein to selected company above for the purchase of such tax shelter contract. The employer shall not be obligated to pay any interest to any person or organization on funds resulting from reduction of salary while such funds are held pending processing of payment, as indicated in paragraph 1 above.
- The employer assumes no responsibility for and makes no representation concerning the treatment for Federal, State or local tax purposes of amount paid for and/or received under any tax shelter contract purchased pursuant to this agreement.
- The employee accepts complete responsibility for (a) limiting the amount of the authorized reduction in rate of compensation so that the reduction will not exceed the maximum permitted by Federal and/or State law and applicable regulations of the Internal Revenue Service and the South Carolina Tax Commission, and (b) reporting all "reportable income" for Federal and State Income Taxes and making timely payments of any income taxes due. Any employee authorizing /two or more concurrent tax shelter contracts must consider the total amount authorized as a single contract for the purpose of determining the maximum allowable reduction in rate of compensation.
- It is further agreed by the undersigned parties that appropriate withholding shall be made from the employee's gross budgeted compensation for (a) employee contributions to the South Carolina Retirement System, and (b) employee contributions to the Social Security Administration, or contributions to another Federal Retirement Program, before the reduction described above is made.

Employee Name (Print): _____
Employee ID# _____ Pay group: _____

Regular Contribution: \$ _____

*Over Age 50 Catch-up: \$ _____

Employee Signature: _____
Date: _____

If elected, year born: _____

Clemson University (employer)

Total per pay period: \$ _____

By: _____

Company Representative Signature: _____

Title: _____

Signed form must be turned into
Clemson University's Benefits
and Well-being Office before
deduction will be taken. Please
email the completed form to
empins@clemsun.edu for
processing.

