



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. A Salary Reduction Agreement shall apply only with respect to Compensation for services rendered to the Employer by the Participant which is not currently available prior to the effective date of his Salary Reduction Agreement. Subject to the limitations in the preceding sentence, a Participant may enter into more than one Salary Reduction Agreement each year. A Salary Reduction Agreement may be terminated at any time with respect to future Compensation 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.



EPC

A Global Movement of Evangelical Presbyterian Churches

SALARY REDUCTION AGREEMENT

EMPLOYER

Church, Judicatory, or Agency

Employee Name

Employee Signature

* * * * *

TERMINATION CLAUSE

Participant hereby terminates the above Salary Reduction Agreement effective as of the Salary Reduction Termination Date stated below.

Salary Reduction Termination Date (may not precede signature date) _____

Participant Signature

Signature Date