

# TAX SHELTER AMENDMENT TO EMPLOYMENT CONTRACT

It is agreed by West Valley-Mission Community College School District, hereinafter referred to as "District" and \_\_\_\_\_ hereinafter referred to as "Employee", that the employment contract between them be amended in the following manner:

1. The salary to be paid to the Employee by the District shall be reduced by the sum of \$ \_\_\_\_\_ per month, effective with amounts earned by the employee on or after the first day of \_\_\_\_\_, 20\_\_\_\_. This amendment shall automatically apply to the employment contract entered into between the District and Employee for each succeeding school year unless amended or terminated by written notice to the District prior to the 15<sup>th</sup> of the effective month.
2. The amount of such salary reduction shall be transmitted by the District for the purchase of non-forfeitable (except for failure to pay future premiums) annuity issued by said insurance company or shares in a regulated investment company, to be held in a Custodial Account. "Custodial Account" shall be that account established for the Employee in accordance with the provisions of Section 403(b) (7) and related sections of the Internal Revenue Code.
3. **Please refer to the list of approved vendors at 403bcompare.com. Use Santa Clara County Office of Education as employer.**

New (Additional)     
  Increasing     
  Decreasing     
  Stop

NAME OF INSURANCE COMPANY/REGULATED INVESTMENT COMPANY (IES)	MONTHLY AMOUNT
(ALL CURRENT PAYROLL DEDUCTIONS FOR TAX SHELTER COMPANIES MUST BE LISTED)	
A. _____	\$ _____
Name of Company (Must be complete name)	Payroll Code number
B. _____	\$ _____
Name of Company (Must be complete name)	Payroll Code number
C. _____	\$ _____
Name of Company (Must be complete name)	Payroll Code number
<b>TOTAL DEDUCTION:</b> \$ _____	

A. \_\_\_\_\_ \$ \_\_\_\_\_  
 Name of Company (Must be complete name) Payroll Code number

B. \_\_\_\_\_ \$ \_\_\_\_\_  
 Name of Company (Must be complete name) Payroll Code number

C. \_\_\_\_\_ \$ \_\_\_\_\_  
 Name of Company (Must be complete name) Payroll Code number

**TOTAL DEDUCTION:** \$ \_\_\_\_\_

4. By signing this document, the Employee directs the District to withhold at the above level and acknowledges that he/she been advised by qualified tax counsel and agrees to indemnify and hold the District harmless from any and all taxes, penalties, and costs which might occur due to any over withholding of tax sheltered annuity funds generated by this amendment to the employment contract.
5. The above monies will be transmitted to the specified insurance company (ies) and/or regulated investment company (ies) by the 5<sup>th</sup> working day following receipt of the payroll deduction by the disbursing agent.
6. The Employee hereby authorizes the disbursing agent to recover any amount erroneously transmitted by it, from the company (ies) receiving the erroneous amount, and directs the company (ies) so affected to immediately transmit those amounts to the disbursing agents.
7. The Employee releases any and all rights, present and future, to receive payment of sum from the District resulting from such salary reduction in any form except: (1) the right of the Employee to designate the beneficiary of sums to be paid from the Employee's custodial account, together with sums withheld by the District but not yet transmitted to the designated regulated investment company, upon the Employee's death; (2) the right of the Employee, upon termination of employment by reason other than death, personally to receive all or any part of the amount specified for which service has been rendered but which has not been deducted to be transmitted (a) to the life insurance company or (b) for the purchase of shares of a regulated investment company, together with such amount as shall be in the Employee's Custodial Account; or (3) the right of the Employee as to receipt of sums so paid upon her/his death.
8. The Employee acknowledges that the District has made no representation to the employee regarding the advisability, appropriateness or tax consequences of the purchase of the annuity or shares described herein. The Employee agrees that the District shall have no liability whatsoever for any and all loses suffered by the Employee with regard to her/his selection of investment; the terms of investment; the selection of insurance company or investment company; or her/his selection and purchase of shares of regulated investment companies.

DATE: \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
 Employee Signature

\_\_\_\_\_  
 Authorized Signature (School District)

\_\_\_\_\_  
 Employee Social Security Number