

TAX SHELTERING CONDITIONS FORM

INSTRUCTIONS: This form is to be completed by employees of Marshall University or Marshall Community and Technical College (hereinafter the Institutions) when initiating or modifying a salary reduction agreement in order to contribute tax-sheltered dollars to either an authorized 403(b) plan or 457(b) plan. The completed original of this form should be submitted to Marshall University Human Resource Services at the above address. The employee should retain a copy for his/her files.

CONDITIONS:

The Internal Revenue Code imposes limitations on the amounts of money that individuals may tax shelter through a 403(b) or 457(b) plan. Tax sheltering refers to the process of creating a contribution from employee pay for the purpose of remitting same to an authorized tax-sheltering contract prior to the calculation and deduction of income taxes. It is the responsibility of the employee initiating or modifying a salary reduction agreement for the purpose of creating or changing a tax-sheltered contribution to a 403(b) or 457(b) plan to stay within the Internal Revenue Code limitations. The benefits representative in Human Resource Services at the address above or representatives of authorized vendors of 403(b) or 457(b) plans or others may advise employees on the dollar limitations provided for by the Internal Revenue Code. However, It is not the responsibility of Human Resource Services or any other office of the Institutions to monitor or audit the amount of dollars being tax-sheltered for purposes of contributing to a 403(b) or 457(b) plan or to advise employees of any potential problems with over tax-sheltering.

Neither of the Institutions shall be responsible for any tax consequences or legal problems created by potential over tax-sheltering of such contributions. Any information provided by Human Resource Services in this area is not legal advice and is not a substitute for advice obtained from the employee's attorney, tax advisor, or the Internal Revenue Service.

The Institutions will not necessarily have knowledge of any other tax-sheltering agreements undertaken with regard to other employment that the employee may have outside of the Institutions. The tax consequences of over tax-sheltering in such situations rest solely with the employee and not with the Institutions.

When making a determination of the dollar amount to tax-shelter for purposes of creating contributions to an authorized 403(b) or 457(b) plan, it is the responsibility of the employee to ensure that sufficient net pay will be available in each pay cycle to adequately support the tax-sheltering deduction. An employee may not set up at any time a salary reduction agreement at the Institutions for the above-stated purposes that will create a salary reduction greater than the net pay due the employee for any pay cycle in which the deduction is taken. Doing so may create a failure to recover sufficient funds for authorized deductions that might potentially place other processes supported by such deductions in jeopardy. Any interruption to or possible suspension of other processes supported by payroll deductions in such a circumstance as described here is the sole responsibility of the employee.

An employee may change a salary reduction agreement at any time either with regard to the amount of such salary reduction or to stop such reduction. A new salary reduction agreement form available from Human Resource Services must be completed and submitted to that office at any time that such changes are desired. Human Resource Services will submit such changes to the Marshall University Controller's Office for payroll adjustment. However, such changes will only become effective at the next pay cycle for which the Controller's Office can make the necessary change.

I hereby certify that I have read, understand, and agree with the information stated above. I have been provided with an opportunity to ask questions about the above information.	
Employee's Signature	
Employee's Printed Name	
Date Signed	

DISTRIBUTION: Signed original to Human Resource Services. Employee should retain a copy.
HR-SERV-FORM-65 V030308