

## MBA PAYROLL DEDUCTION AGREEMENT FORM

This agreement is between you and your employer. **DO NOT SEND TO MBA.**

### ① Member Information

*Please use full legal name*

Full Legal Name \_\_\_\_\_  
Last First Middle Initial

This is a :  New agreement     Change to my existing agreement

### ② Employer Information

Name of Employer \_\_\_\_\_

### ③ Agreement

This Agreement is made between the Member and Employer as named above. **This Agreement will change all payroll deduction contributions to the Member's MBA accounts.** If a line in section "A" is left blank, it will be assumed that the amount is zero.

*Your employer may not offer some deferral/deduction options. Check with your employer to see what options are available. See descriptions of each type of deduction on the back of this form.*

- A. I agree to defer eligible compensation (e.g., wages or salaries) as follows beginning on the date of \_\_\_/\_\_\_/\_\_\_\_.
- Pre-tax elective deferral \$ \_\_\_\_\_ or \_\_\_\_\_ % per pay period
  - Roth after-tax deferrals \$ \_\_\_\_\_ or \_\_\_\_\_ % per pay period
  - After-tax contributions \$ \_\_\_\_\_ or \_\_\_\_\_ % per pay period
- B. If I have chosen the Roth after-tax deferral, I understand that qualified distributions for the Roth 403(b) deferral accounts are different from Roth IRA accounts.
- C. I understand, upon written notice, that I may change or terminate my payroll deductions at any time within the guidelines established by my employer.
- D. I understand that I am responsible for determining that the amount of my salary reduction does not exceed the limits on 403(b) contributions.
- E. I understand that the responsibility for choosing the deferral type and investment elections is on my own and not that of my employer, MBA, or any other person or group. I understand that my own tax and investment professionals are the best people to advise me in their respective areas of expertise.

**The member and the Employer hereby agree to this Payroll Deduction Agreement Form:**

X	
Signature of Member	Date

X	
Signature of Employer	Date

## ④ 403(b) Plan Contribution Types

All contributions to the 403(b), whether deferred from taxes or after-tax deposits, will be from ministry earned income and are subject to legal limits. Contact MBA for a description of the limits.

### Employee Deferrals

- **Pre-tax elective deferrals.** This represents a reduction in an employee's pay due to an agreement between the employee and employer. The contribution and earnings on it are tax-deferred for federal income tax purposes until distributed. *These contributions must be made on an employer check.*
- **Roth after-tax deferrals.** This represents deductions from an employee's pay due to an agreement between the employee and the employer. Contributions are taxed before going into the plan. Qualified distributions are tax-free and penalty-free. *Qualified distributions in a 403(b) plan are different than those for an Roth IRA. See MBA's Web site or contact MBA for more information. These contributions must be made on an employer check.*
- **Traditional after-tax contributions.** These contributions are made by an agreement between the employee and employer for a salary deduction. The contribution will be taxed before going into the plan. Earnings grow tax-free until distributed. A portion of every distribution is a tax-free return of contributions and a taxable return on earnings. Distributions can be made at any time but taxes will apply and tax penalties may apply if you are under age 59 ½. These contributions may be made by an employer or personal check up to the amount of the legal limits when combined with other 403(b) contributions. *Employer verification is needed to send in a personal check, please contact MBA.*

### Employer Contributions

- **Employer contributions.** This is a benefit (non-elective) in addition to salary that is paid to the employee's 403(b) retirement account. No action is needed by the employee to receive the benefit unless the employer is matching all or a portion of the employee deferrals. The contributions and earnings are tax-deferred for federal income tax purposes until distributed. *These contributions must be made on an employer check.*

You should choose the type of deferral that best suits your needs based on consultation with your own tax professional. Neither your employer nor MBA can give you this advice. MBA can give you more detailed information on the benefits of the pre-tax elective deferrals and Roth after-tax deferrals.

## ⑤ Retirement Investment Information

- Your retirement contributions will be invested according to the election that is currently on file.
- If you are invested differently among sources (employer contributions vs. employee deferrals) your Roth contribution will be invested according to the election on file for your traditional pre-tax deferrals unless you have actively elected a different investment for the Roth contribution.
- You may change your investment election for all contribution types or for individual contribution types online at [agfinancial.org/mbaforms](http://agfinancial.org/mbaforms) or by contacting MBA.

## ⑥ Questions

If you need help determining the contribution amount that fits your financial situation, call MBA at 800.622.7526, Monday through Friday, 8 a.m. to 4:30 p.m. Central time. A Retirement Planning Specialist can discuss your retirement savings needs and help you calculate the maximum you can contribute to your 403(b) plan each year, including use of catch-up provisions and after-tax options.