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Agreement For Cash or Deferred Election Under Section 401(k) - Salary Reduction Agreement

A Mandatory Reference for ADS Chapter 637

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**Agreement for Cash or Deferred Election Under Section 401(k) –
Salary Reduction Agreement**

BY THE AGREEMENT, made between **(the Employee)** and **U. S. Agency for International Development** (the Institution), the parties hereto agree as follows:

Effective with respect to amounts paid on or after _____, which date is subsequent to the execution of this Agreement, the Employee's salary will be reduced by the amount indicated below. At the same time, the Institution will forward the corresponding amount to the Employee's annuity contract(s) (or custodial accounts), which the Employee will allocate among the funding vehicles approved by the Institution.

This Agreement is legally binding for both the Institution and the Employee with respect to amounts earned while employment continues. However, either party may terminate or otherwise modify this Agreement as of the end of any month (or pay period, if applicable) by giving at least thirty days written notice so that this Agreement will not apply to salary subsequently paid.

The amount of the election¹ shall be % of gross annual salary or \$ _____ per pay period, if applicable, which will produce a total contribution that does not exceed the limitations of IRC Section 415 or Section 402(g), whichever is lower.

The amount designated above will be contributed by the Institution to the Employee's TIAA-CREF GSRA.

Signed this day of _____, 20__

Employee

(Employing Institution)

By

(Name)

(Title)

¹This amount should be reviewed with the Business Office (either HQ or Controller) before the execution of this Election. (which for 2006 is \$15,000 plus an additional \$5,000 for those persons who are age 50 and over).

*NOTE: For Calendar Year 2005, the contribution limits are \$14,000 plus an additional \$4,000 for those persons who are age 50 and over.