

# Perth Amboy Board of Education

ADMINISTRATION HEADQUARTERS BUILDING

178 Barracks Street

Perth Amboy, New Jersey 08861

Tel: (732) 376-6200 Fax: (732) 638-1004



**Derek J. Jess**

School Business Administrator/

Board Secretary

## **TAX-SHELTERED ACCOUNTS: 403(B)**

A tax-sheltered account is an investment option that will allow you to invest money directly from your salary on a tax-deferred basis, for your future. The investments provided by 403(B) plans are in mutual funds and annuities (insurance). The Perth Amboy Board of Education has approved the following companies to offer these types of investments to our district employees:

- The Equitable
- Lincoln Investments
- MetLife Resources
- AIG/VALIC

The maximum amount that may be invested in a given calendar year must coincide with the “limitations set forth in P.L. 93-406 (Employment Retirement Income Security Act of 1974) and Section 415(c) of the Internal Revenue Code of 1954 as amended.” To determine what the current limits are, you may view [www.irs.gov](http://www.irs.gov) or [www.403bwise.com](http://www.403bwise.com). Due to the complexity of the maximum exclusion allowance and as a protection to the Board and its employees, all investment companies will be required to sign the section of the enrollment application that states - **the maximum contribution that is allowed by law shall not exceed and the investment companies will be liable for any penalties imposed if the allowance is exceeded.**

Enclosed is the “Salary Modification” form that authorizes that deductions from your salary are to be deposited into the tax-sheltered account that you have chosen. After contacting the investment company you have chosen from the list, complete the top part of the form and submit it to your investment professional. The investment professional will certify the amount that you have authorized to be deducted from your salary, and they will return this form to the payroll office. **NO** deductions will be made unless both parties have completed and signed the form.

Open enrollment is twice a year. **The Salary Modification agreements are due at the Business Office no later than October 31<sup>st</sup> or January 31<sup>st</sup>.**

Please direct all investment questions to the investment firms listed above.

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The Perth Amboy Board of Education recognizes the following approved companies for **Tax Sheltered Companies:**

- **Equitable/AXA Advisors**  
333 Thornall Street, 8<sup>th</sup> Floor  
Edison, NJ 08837-2220  
Alan Friedman, [alan.friedman@axa-advisors.com](mailto:alan.friedman@axa-advisors.com) (732) 452-6918  
Cesare Cagnina, [cesare.cagnina@axa-advisor.com](mailto:cesare.cagnina@axa-advisor.com) (732) 452-7246
- **Lincoln Investment Planning, Inc.**  
4 Commerce Drive, 3<sup>rd</sup> Floor  
Cranford, NJ 07080  
Joseph Caterina  
[jcaterina@lincolninvestment.com](mailto:jcaterina@lincolninvestment.com)  
(800) 627-0067 Office  
(646) 239-9138 Cell  
(908) 245-2055 Local  
(908) 276-3939 Fax
- **MetLife**  
581 Main Street, 6<sup>th</sup> Floor  
Woodbridge, NJ 07095  
Valerie Quartiere, [vquartiere@metlife.com](mailto:vquartiere@metlife.com) (732) 751-3020
- **The Variable Annuity Life Insurance Company**  
VALIC  
90 Woodbridge Center Drive  
Woodbridge, NJ 07095 (732) 596-1600  
David Dobin, [david.dobin@valic.com](mailto:david.dobin@valic.com) (732) 693-5889 Cell

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## SALARY MODIFICATION FORM

By this agreement between \_\_\_\_\_, \_\_\_\_\_  
(Print Name of Employee) (SS #)

and the Board of Education of the City of Perth Amboy (employer) the parties agree as follows:

1. Effective with the amounts earned on or after the first day of \_\_\_\_\_, 2017 the employer agrees to reduce the employee's annual salary by \$\_\_\_\_\_ and pay a like amount to \_\_\_\_\_ for the purchase of a Tax-Sheltered Annuity contract as described in Section 403(B) of the Internal Revenue Code.
2. The Amount of reduction in accordance with R.S. 52-18A-113 shall not exceed the limitations set forth in P.L. 93-406 (Employment Retirement Income Security Act of 1974 and Section 415(c) of the Internal Revenue Code of 1954 as amended for such year. For 2017, the maximum contribution limit is: \$18,000 and participants age 50 or older may make an additional catch-up contribution in the amount of \$6,000.
3. Either party may terminate the agreement upon written request.
4. Any reduction of salary agreed to there under should be deemed a reduction in salary for the purpose of obtaining the benefits afforded under the Federal Internal Revenue Code and shall be the determination based upon the total amount of the employee's salary. Please make sure that the monthly amount multiplied by 10 or 12 months equals the annual amount.

Monthly Amount: \$\_\_\_\_\_

Annual Amount: \$\_\_\_\_\_

10-Month Deduction  12 Month Deduction

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

\_\_\_\_\_  
Date

### Certification

The above mentioned insurance company guarantees the maximum exclusion allowed calculated by a representative and will not exceed the maximum allowable by law. Company will pay any interest or penalties imposed on the employee of the Board; if it's determined that the maximum exclusion allowance has been exceeded.

Company Stamp Below:

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

\_\_\_\_\_  
Print Name and Title

### MUST HAVE ORIGINAL SIGNATURE OF ALL PARTIES:

\_\_\_\_\_  
Signature of Business Administrator

\_\_\_\_\_  
Date