

**MIDLAND PUBLIC SCHOOLS
HSA CONTRIBUTIONS
SALARY REDUCTION AGREEMENT**

Participant's Name:

Employee No.

THIS SALARY REDUCTION AGREEMENT is entered into on the date shown below by and between Midland Public Schools (the "Employer") and you, the Participant named above.

1. Introduction. The Employer is the sponsor of The Restated Midland Public Schools Cafeteria Plan (the "Plan"), a copy of which is available to you upon request to the Administrator. The Plan is intended to be a cafeteria plan within the meaning of Section 125 of the Internal Revenue Code (the "Code"). You are entering into this Agreement with the Employer for the purpose of participating in the Plan and to reduce your salary in order that you may make contributions to a Health Savings Account under the Plan.

2. Participation. You agree to participate under the Plan and to reduce your salary by the amount shown below:

2021 IRS Maximum Annual HSA Contributions.

Coverage Type	Total Annual Contribution*
Self only	\$3,600.00
Two person/Family	\$7,200.00

*catch up contribution (age 55+): additional \$1000/year

IRS Total Annual Allowable Contributions*		Employer (MPS) Contribution	=	Total Employee Eligible Amount
2021 Self Only \$3,600	- minus	\$ 1,050.00	=	\$ 2,550.00
2021 Two Person/Family \$7,200	- minus	\$ 2,100.00	=	\$ 5,100.00

Total Employee Amount Elected		Enter number of pay periods left in calendar year – OR – number of pay periods to spread the total amount elected	=	Per Pay Withholding
	/ (divided)		=	

3. Duration. The reduction of salary described in paragraph 2 shall be effective as of [*Insert first day*

on which you wish to have salary withheld], as to compensation not yet earned as of that date, and shall continue, subject to modification only as permitted under the Plan, until the earlier of (a) the last day of the Plan Year for which this Agreement has been entered in to by you and the Employer; or (b) you becoming ineligible to participate in the Plan, such as by virtue of your termination of employment with the Employer. This Agreement revokes and supersedes all prior salary reduction agreements that you have entered into in conjunction with the Plan pertaining to HSA contributions.

4. **Handling of Deferred Amounts.** The Employer agrees that all amounts deferred under this Agreement will not be paid to you but will be credited by the Employer to the HSA account that you establish in conjunction with the Plan.

5. **Modification.** Prior to each Plan Year, you will be given the opportunity to make elections under the Plan for the new Plan Year. **If you do not make elections at that time, you will be treated as having elected not to participate in the Plan for the Plan Year.** Notwithstanding the “Permitted Election Changes” section in the Plan. This Agreement may be revoked or amended at any time during the Plan Year, subject to reasonable administrative rules established by the Employer.

6. **Preservation of Plan Status.** The Employer may, unilaterally and without prior notice to you, reduce the amount shown in paragraph 2 if, in the sole judgment of the Employer, a reduction is necessary to continue the favorable status of the Plan, or any of its constituent plans, under the Code and related regulations.

7. **Pay-out of Benefits.** Amounts credited to your HSA will be distributed only in accordance with the terms of your HSA in effect at the time of the distribution. Distributions are administered by the HSA trustee/custodian, and the Employer is in no way responsible for the administration of your HSA by the HSA trustee/custodian.

8. **Forfeiture of Unused Amounts.** The forfeiture rules applicable to other forms of Benefits under the Plan do not apply to your HSA and all amounts in your HSA account will remain your property.

9. **Employer not Liable.** By providing you with the opportunity to elect to make HSA contributions under the Plan, the Employer is **not** assuming liability for any of your medical expenses of any nature.

10. **Incorporation of Plan.** The terms and conditions of the Plan are hereby incorporated by reference into, and made a part of, this Agreement, as if fully set forth in this Agreement.

11. **Acknowledgments.** You hereby acknowledge that you have received a copy of this Agreement, and either received, or had an opportunity to receive, a copy of the Plan; that you have read this Agreement, and either read, or had an opportunity to read, the Plan; that by signing this Agreement you are voluntarily electing to participate in the Plan; that neither this Agreement nor the Plan constitute an agreement for continued employment.

PARTICIPANT SIGNATURE

DATE

**Please return this form to:
Kim Wood, Benefits Specialist
benefits@midlandps.org**