

BETHEL SCHOOL DISTRICT #52
BOARD OF EDUCATION POLICY STATEMENT

Subject: **Tax Sheltered/Deferred Annuity Regulations**

Policy Number: **GCB** Effective Date: **5/2018**

Date of Original Policy and Revisions: **1/84, 6/92, 1/94, 1/95, 2/00, 10/06, 2/09, 1/12, 5/15**

Cancels Policy No.: **NA** Dated: **NA**

Date of Next Review: **5/2021**

POLICY

The Internal Revenue Code allows employees of educational institutions to set aside a portion of their salaries in tax-deferred annuity accounts that can be drawn upon at retirement as a supplement to PERS. Current employee contributions to such accounts are not subject to federal and state income taxes; such taxes are "deferred" until the employee receives a distribution or an annuity.

The district has established a 403(B) Plan Document, as required by IRS regulations in 2009, and it is available for review in electronic format or by hardcopy.

This policy establishes the minimum requirements for companies who offer contracts for tax-deferred annuities to district employees.

New contracts must be submitted to the district office by the payroll cutoff of each month for deductions to be made on that month's paycheck.

Companies must have a minimum of five (5) district employees enrolled in the program. If enrollment falls to less than five (5) employees, the company will have one year to get enrollment back to five (5) employees. If the company fails to have five (5) employees enrolled within the above time period, the district will cease payment to said company. Affected employees will be notified at the time the company is notified.

REPORTS

None.

ATTACHMENTS

None.

END OF POLICY

REFERENCES / COMMENTS

None.