

# POLICY ————— PEQUANNOCK TOWNSHIP

## BOARD OF EDUCATION

FINANCES

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### 6520 – PAYROLL DEDUCTIONS

The Board of Education shall, in accordance with law or employee authorization, make deductions from an employee's paycheck and remit the amounts deducted to the agent designated by the employee.

Deductions will routinely be made as required for federal income tax, social security and medicare; New Jersey income tax, unemployment assistance, and other miscellaneous taxes; and for the New Jersey Division of Pensions.

Deductions may also be made, provided they have been duly authorized by the employee in writing, for contributions on the employee's behalf for:

1. The payment of premiums for group life, accidental death or dismemberment, hospitalization, medical, surgical, major medical, health and accident, and legal insurance plans, N.J.S.A. 18A:16-13;
2. The purchase of United States Government bonds, N.J.S.A. 18A:16-8;
3. The employee's participation in a summer payment plan for repayment to the employee;
4. Tax sheltered annuities or custodial accounts, N.J.S.A. 18A:66-127;
5. Payments to a credit union, N.J.S.A. 40A:19-17;
6. An approved charitable fund raising campaign, N.J.S.A. 52:14-15.9c; and
7. Bona fide organizational dues, N.J.S.A. 52:14-15.9e.

Contributions shall be made as soon as is reasonably possible after the funds have been deducted from an employee's salary. No contribution shall be made on behalf of an employee until the amount contributed has been deducted from the employee's salary.

#### Tax Sheltered Annuities

In accordance with permissive legislation by the U.S. Congress, the Board of Education provides payroll diversions for employees who wish to set aside regular amounts for annuities.

Due to the numerous annuity plans on the market, no more than five accounts will be approved for remittance.

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For any annuity program to become eligible for payroll transactions, the district requires a written request from the Pequannock Township Education Association with a minimum of fifteen employees indicating they wish to contract with a particular company. However, neither the Board of Education nor the Pequannock Township Education Association shall assume any responsibility or liability for future performance of the companies servicing the employees' annuity agreement.

Provisions of this policy are effective on the date of policy adoption.

N.J.S.A. 18A:16-9; 18A:66-19; 18A:66-30;  
18A:66-78; 18A:66-128  
N.J.S.A. 43:3C-9  
N.J.S.A. 52:14-15.9; 52:18A-107 et seq.  
N.J.S.A. 54:8A-9  
N.J.A.C. 6:20-2A.7; 6:20-2A.9

Adopted: 13 December 1999

Revised and Adopted: 21 October 2013