

OPERATIONAL SERVICES

Tax-Sheltered 403(b) and 457 Retirement Programs

It is the policy of the Board of Education to permit district employees to contribute to tax-sheltered annuity plans or custodial accounts under Section 403(b) and 457 of the *Internal Revenue Code* through salary reduction agreements. In furtherance of this policy, the Board of Education may enter into agreements with qualified providers of 403(b) and 457 retirement programs (“Service Providers”) to purchase tax-sheltered annuities or custodial accounts for employees who elect to defer income through salary reduction agreements according to the following:

- A. Each tax-sheltered annuity or custodial account shall be an individual and independent plan, and treated as such, with respect to each employee’s salary reduction agreement and shall not be aggregated with any other plan or group of plans;
- B. Participation in 403(b) and 457 retirement plans is completely voluntary for employees;
- C. The district may limit the number of approved Service Providers and the time, place, and manner of access for Service Providers to meet with employees based upon factors that are consistent with applicable law. The retention of approved Service Providers is based on a minimum of ten (10) employees who have signed an Employee Salary Reduction Agreement form;
- D. Service Providers must execute the salary reduction agreement required by the district as a condition of participation;
- E. Employees must execute the salary reduction agreement required by the district as a condition of participation;
- F. The district retains the sole discretion to discontinue the availability of 403(b) and 457 retirement plans;
- G. The district shall not assume any liability for claims against the employee or any Service Provider concerning a 403(b) or a 457 retirement plan or calculations relating to any such plans;
- H. The Superintendent may establish rules and regulations to implement this policy. LEGAL REF.: 26 U.S.C. Section 403(b)

Regulation S 2510.3-2
IRS Department of Treas. Publication 571

ADOPTED: July 16, 2002; Revised July 12, 2005