

**Pre-Tax Deferrals – 403(b), 457(b) and Salary Deductions**

Effective January 1, 2009, all district employees will be eligible to enroll in any pre-tax elective deferrals unless the employee works less than 1,000 hours per year.

Deductions will be made from the paychecks of all employees for federal income tax, for retirement in keeping with State Requirements and for OASI (Social Security).

**ADDITIONAL DEDUCTIONS**

All employees will be members of the Social Security Program and those who qualify will be members of the South Dakota Retirement System. Appropriate deductions shall be made from salary checks in accordance with requirements of these programs.

Employees may participate in tax sheltered annuity programs approved by the Board. The Board shall service these programs through automatic payroll authorization.

Employees may voluntarily choose to be members of the medical and dental insurance.

In addition, the Board authorizes the following types of deductions from employee salaries, provided the employee has filed the proper permission or payroll withholding:

1. Employee contributions to the health and life insurance programs and any other similar programs that are or may be approved by the Board.
2. Deductions for tax-sheltered annuity programs.

All employees may participate in the Section 125 cafeteria benefit plan for unreimbursed medical expenses (up to \$2,500) and child care expenses (up to \$5,000).

**Payday Schedules – 409A IRS**

All district employees will have a choice of being paid for their services in either ten or twelve equal monthly payments. Payday shall be on the 15<sup>th</sup> of each month or the last working day prior to the 15<sup>th</sup>, beginning the first month of school or, for those hired after school starts, the first month after employment commences. Those selecting the ten payment option will receive their tenth payment when they check out after the last day of school. Once a pay option is selected, the employee may not change the payment choice. Extra duty staff will be paid on the 15<sup>th</sup> of the month following the month in which the activity ends, or as part of their regular paycheck. Any changes made to the plan will be subject to a 20% penalty.

Legal References: SDCL 3-10-1 through 3-10-8; 3-11-1 through 3-11-9; 3-12

Approved: June 9, 2008

Revised: July 12, 2010; December 14, 2015