

PERSONNEL

Payroll Deductions/~~Tax Sheltered Accounts/Deferred Compensation Plan~~

A. Payroll Deductions

No deductions shall be made from the salary of any employee except for such purposes as required by law or specifically approved by the School Board. Deductions other than those required by law shall be made only on the approval of the School Board and at the written request of the individual desiring such deduction(s). No such approval for any deductions shall be granted which does not offer advantages or opportunities which are open and available to all employees.

~~B. Tax Sheltered Accounts (TSA) Program~~

~~The School Board, through employee authorized payroll deductions, shall provide opportunities for eligible employees to participate in tax sheltered accounts (also referred to as 403(b) plans) offered by commercial vendors.~~

~~C. Deferred Compensation Plan~~

~~The School Board provides a Deferred Compensation Plan (“Plan”) for the benefit of its employees pursuant to section 457 of the Internal Revenue Code. The School Board intends that the employee compensation deferred and invested, pursuant to the Plan, shall not be subject to federal and state income tax until such compensation is lawfully withdrawn. To that end, the Deferred Compensation Plan Administrator designated by the School Board as the Director of Benefits, shall periodically consult with financial and legal professionals to ensure that the Plan and its administration complies with all applicable laws and regulations.~~

~~Each employee will make independent decisions regarding participation in the Plan and investment choices. The School Board's decision to offer the Plan and this Policy in no way constitutes an endorsement or recommendation of participation in, or of any investment offered as part of, the Plan.~~

~~1. General Provisions~~

- ~~a. Pursuant to §51.1-603 of the Code of Virginia, as amended, the Deferred Compensation Plan shall be administered by an officer, who shall be known as the Deferred Compensation Plan Administrator.~~
- ~~b. The Director of Benefits for the School Board shall serve as the Deferred Compensation Plan Administrator and assume all related responsibilities.~~
- ~~c. The Deferred Compensation Plan Administrator shall have, pursuant to §51.1-603 of the Code of Virginia, as amended, the authority to do all things necessary to~~

supervise, administer and implement the Deferred Compensation Plan, including the power to contract with private corporations or institutions for services in connection therewith including but not limited to investment and options, record keeping and quarterly statements.

~~2. Administration~~

- ~~a. The deferral of compensation shall be accomplished by payroll deductions.~~
- ~~b. The Deferred Compensation Plan Administrator shall have the authority to establish *ad hoc* advisory committees to provide him or her with guidance in the administration of the Deferred Compensation Plan.~~
- ~~c. The Deferred Compensation Plan Administrator shall, to the extent compatible with state law, follow all School Board policies and regulations while administering the Deferred Compensation Plan, including, but not limited to, the policies for contract review and hiring of outside legal counsel.~~
- ~~d. The Deferred Compensation Plan Administrator shall provide, if requested, an annual report to the School Board as to the status of the Deferred Compensation Plan, including participation levels, current investment offerings, and expenditures.~~
- ~~e. Any company or institution hired to administer the Deferred Compensation Plan shall, as a condition of any contract, offer information about the Deferred Compensation Plan, and the investment options thereunder, to all eligible School Board employees.~~

~~*Editor's Note*~~

~~*For garnishments see Division Regulation 4-36.2.*~~

~~*For general contract execution policy see School Division Policy 3-89.*~~

~~*For employment of outside legal counsel see Division Policy 2-59.*~~

~~*See School Board Resolution adopted April 6, 2004 "A Resolution Providing for an Administrator of the School Board's Deferred Compensation Plan."*~~

~~**Legal Reference**~~

~~Internal Revenue Code, 26 U.S.C. §403(b), as amended, Taxation of Employee Annuities.~~

~~Internal Revenue Code, 26 U.S.C. §457, as amended.~~

~~Code of Virginia §51.1-603, as amended, Local deferred compensation plan~~

~~**Related Links**~~

School Board [Regulation 4-36.2](#)

School Board [Policy 3-89](#)

School Board [Policy 2-59](#)

Adopted by School Board: October 20, 1987

Amended by School Board: August 21, 1990

Amended by School Board: July 16, 1991

Amended by School Board: July 13, 1993 (Effective August 14, 1993)

Amended by School Board: December 21, 1999

Amended by School Board: April 1, 2003

Amended by School Board: April 6, 2004

Amended by School Board: October 10, 2017

Amended by School Board: 2021

APPROVED AS TO
LEGAL SUFFICIENCY

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