

## **Deferred Compensation Plans**

### Section A - Introduction

The Board of Education shall make deferred compensation plans meeting the requirements of the Internal Revenue Service (e.g., 403(b), 457(b)), available to employees through payroll deductions. Both fixed and variable plans may be offered.

### Section B - Management of the Deferred Compensation Program

1. The chief school business official or designee shall at least annually, submit for Board of Education approval, a list of authorized providers from which district employees may purchase deferred compensation plans.
2. The chief school business official or designee will act as the Board's representative in matters pertaining to deferred compensation plans sold to district employees and maintain a list of the providers that the Board has authorized to do business with district employees.
3. No company may be approved as an authorized provider by the Board of Education unless at least five employees have requested to contract for deferred compensation plan participation with that company, and that company has completed all necessary paperwork as established by the district.
4. Any authorized provider may be disqualified from participation by the chief school business official:
  - a. Should, for a period of 12 months, no employee contract with that provider; or
  - b. For other good cause.
5. Failure on the part of any authorized provider or an agent of that provider to comply with this policy will be sufficient grounds for disqualification.

### Section C - Approval of Salary Reduction Agreements

All employees entering into a Salary Reduction Agreement in connection with a deferred compensation plan must have on file the applicable completed and signed salary reduction agreement form before the election will become effective.

Employees who wish to use special "catch-up elections" to contribute more than the basic salary deferral for the year must have on file a vendor, financial, tax or legal counsel form that shows the maximum exclusion allowance (MEA) calculation for the tax year with their salary reduction agreement.

### Section D - Changes to Salary Reduction Agreements

Employees may change their Salary Reduction Agreement up to twice year, once from January through June, and a second time from July through December. The employee may terminate a Salary Reduction Agreement at any time.

### Section E - Contact Between Employees and Agents

1. Only providers determined to be qualified by the Board of Education may make deferred compensation plan literature available to district employees while on campus.
2. Once contacted by a district employee, an agent of the authorized provider may meet the employee at school to discuss policy provisions. An agent may also meet the employee at school to have papers signed. In either event, agents will not be allowed to remain on school premises to solicit business from other employees.

3. The school district will not provide employees' addresses, personal e-mail addresses and/or telephone numbers to qualified provider agents.
4. Initial contact with the agent must be made by the employee or the chief school business official or designee.

Section F - Plan Management and Periodic Statements

The employee shall be responsible for directing the management of his or her individual plan, for requesting periodic statements from the provider, and for verifying the accuracy of the statements.

To the fullest extent permitted by law, the Board of Education, its Board members and employees shall have no liability for any losses suffered by the employee that result (directly or indirectly) from his/her participation in the district's deferred compensation plans. The employee shall save, defend, indemnify, and otherwise hold the Board of Education, its Board members and employees harmless, to the fullest extent permitted by law, from any and all actions, claims, demands, losses, injuries, and damages whatsoever that may result (directly or indirectly) from his/her participation in the district's deferred compensation plans. The Board of Education, its Board members and employees have made no representation regarding the advisability, appropriateness or tax consequences of any employee's participation in the district's deferred compensation plans or employee's allocation to any provider that the district has been authorized to do business with district employees.

Section G - Non-Endorsement of Service Providers

Authorization of providers shall be based upon compliance with deferred compensation plan regulations, as amended from time to time, and execution of the service provider's agreement. Neither such authorization nor any literature provided by such providers shall be deemed as an endorsement by the district of any provider or plan.

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