

School District 831 will provide a salary deferral program for its employees in accordance with applicable provisions of state and federal law, Internal Revenue Service regulations 403(b) and 457, and negotiated district employee agreements or board-adopted employment terms and conditions plans. All [e]mployees will be allowed to participate in the salary deferral program through payroll deduction. The School District / Director of Business Services will select vendors to provide salary deferral options to employees. Contributions (by both employer and employee) are limited to vendors on the approved District list. All companies participating in the program must be licensed to do business in the State of Minnesota.

Requirements

1. The individual employee is responsible for selecting the investment option. The District assumes no responsibility in either the selection or performance of any tax-sheltered investment instrument.
2. Prior to initiating a payroll deduction, the employee must complete a District Salary Reduction Agreement and submit it to the payroll office. In addition, it is the responsibility of the employee to initiate and complete all necessary paperwork required by the investment company.
3. Changes in employee contributions to the salary deferral program will be permitted 4 times per calendar year:

Employer matching contributions are governed by applicable employee agreements, district procedures, and state law.

In the event a change in the employee contribution causes that contribution to be lower than the district match, the district match will be reduced accordingly. All changes in employee contribution, increases to employer contribution, or voluntary decreases in employer contribution must be requested via a completed District Salary Reduction Agreement.
4. Employees are limited to using no more than two of the District-approved investment companies at any one time.
5. It is the responsibility of each employee to calculate the Maximum Allowable Contribution (MAC) amount to ensure that he/she is not exceeding the calendar year maximum payroll deduction permitted by IRS regulations.

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