

TAX SHELTERED ANNUITIES

Annuities

The Schodack Central School District shall purchase annuities for employees, in accordance with the provisions of Section 403 (b) of the Internal Revenue Code of 1954, as amended. The Business Administrator is authorized to approve, on behalf of the Board, applications from employees for agreements with the District for reductions from such employee's salary, the amount of such reduction to be remitted to the third party administrator designated by the District for the purpose of purchasing a non-forfeitable annuity contract or annuity account qualifying for purposes of section 403 (b).

Board Authorization and Responsibility

Any company seeking to sell tax-sheltered annuities to employees pursuant to this policy must have authorization of the Board. Such authorization shall not be deemed, represented or implied to constitute endorsement of the company or annuity, or recommendation of such investment, by the Board of Education. The Schodack Central School District neither endorses any authorized tax sheltered annuity vendor nor is responsible for any investment losses or gains thereon made to any authorized tax sheltered annuity vendor by the 403 (b) program participants.

Administrative Procedure

The Business Administrator shall maintain a list of approved vendors and update the list on an annual basis. All new vendors added to the approved list are at the sole discretion of the District. New vendors must execute a Service Provider Agreement with the Schodack Central School District. After selecting a vendor from the approved list, the employee is responsible for opening the 403 (b) account and for completing the salary reduction agreement. The amount of the tax sheltered annuity salary reduction for each employee shall be processed through payroll deduction and remitted to the third party administrator. The third party administrator shall verify and forward the salary reduction amount to the company selected by the employee from the approved vendor list.

Approved: 9/16/04

(3rd Reading 9/16/04; 2nd Reading 8/19/04; 1st Reading 7/1/04)

[BOE\POLICIES\TAX SHELTERED ANN]