

TAX SHELTERED ANNUITY PROGRAM

The School District will offer a Tax Sheltered Annuity Program intended to qualify under Section 403(b) of the Internal Revenue Code for the benefit of its eligible employees.

The Board authorizes the Superintendent or Business Manager to administer the program, and act on behalf of the School Board to enter into salary reduction agreements, vendor agreements and take such steps as are appropriate to assure compliance with the Internal Revenue Service Code.

Participation Eligibility

All full-time salaried and regular full-time employees of the School District are eligible to participate in the 403(b) program.

Each eligible employee may elect to reduce his or her salary in a specific amount by executing the salary reduction agreement provided by the District. The salary reduction agreement will specify the amount of the salary reduction for each eligible vendor selected.

The salary reduction agreement must specify the amount of the salary reduction, which the employee elects to have the District contribute toward the purchase of a qualified investment or an annuity contract on behalf of the employee. An employee's salary reductions for a calendar year may not exceed the maximum amounts specified in the Code.

School District Responsibility

The Superintendent or Business Manager will annually review the 403(b) program for nondiscrimination compliance.

All employees eligible for the district's 403(b) program will be notified of their eligibility upon employment and periodically provided the list of vendors to all eligible employees.

The School District makes no representation to the employee regarding the advisability, appropriateness or tax consequences of a salary reduction agreement, participation in a tax-sheltered annuity, or the company which issues the annuity contract or which invests the employee's salary reduction funds.

No action taken by the School District under this program shall be construed to create a trust of any kind or a fiduciary relationship between the District and the employee, any designated beneficiary or any other person.

The School District also makes no warranty or representation to the employee that any annuity contracts or investments offered by eligible annuity vendors are qualified under Section 403(b) of the Code or that salary reductions applied to the purchase of such annuity contracts will be excluded from the gross income of the employee under Section 403(b) of the Code.

Adopted: 6/2008

WEST CENTRAL SCHOOL DISTRICT