

M.S.A.D. #46

POLICY Tax-Sheltered Annuities
Section 403(B) Offerings

CODE DLB

M.S.A.D. #46 will allow qualified employees to participate in tax deferred, salary reduction programs allowed under Section 403(b) of the Internal Revenue Code of 1986, as amended, providing the vendor meets with certain compliance restrictions set by the District.

Vendors shall comply with requirements by signing a "Hold Harmless" Agreement provided by M.S.A.D. #46, which may, at any time, be revised by M.S.A.D. #46 if the District deems changes to be necessary in providing adequate assurances that the vendor is meeting Internal Revenue Service compliance restrictions.

Vendors shall also be responsible for providing the District with satisfactory "Maximum Exclusion Allowance" calculations for employees wishing to participate in a 403(b) reduction and will provide a written contract with the employee to have the amount, not to exceed the maximum exclusion allowance, deducted from their pay.

The District will not begin payroll deductions for any Tax Deferred Plan until all of the requirements have been met by the vendor. The District reserves the right to limit the number of plans they wish to participate in or to impose minimum enrollment requirements (generally five (5) employees) before allowing employees to participate in new plans.

Legal Ref:_____

Date Adopted 04/01/98