

6560 - Tax Sheltered Annuities

2011 6560

Personnel

SUBJECT: TAX SHELTERED ANNUITIES

Section A - Authorization to Purchase Annuities

- a) The Board of Education of Wayland-Cohocton Central School District shall make tax sheltered annuity (TSA) plans available to the staff through payroll deductions. TSA policies meeting the tax sheltered provisions of the Internal Revenue Service may be offered including fixed and variable plans.
- b) The Business Manager will act as the Board's representative in all matters dealing with TSAs sold to employees through the School District. As such he will review literature to be distributed and maintain copies of all salary reduction and hold harmless agreements.
- c) All companies will be approved by the Business Manager.
- d) Failure on the part of any company and/or agent to comply with this policy will be sufficient grounds for denying further sales to Wayland-Cohocton Central School District employees.

Section B - Approval of Salary Reduction Agreements

All employees entering into a TSA Salary Reduction Agreement must have on file in the District Business Office the following forms before the election will become effective:

- a) Salary Reduction for 403 (b) plans.
- b) Statement of Understanding and Hold Harmless Agreement Regarding Tax Sheltered Annuity Program.
- c) Employees who wish to use special "catch-up elections" to contribute more than the basic salary deferral for the year must provide a vendor, financial, tax or legal counsel form which shows the maximum amount of elective deferrals for the tax year.

Section C - Contact Between Employees and Insurance Agents

- a) Only companies receiving approval of the Business Manager may make printed TSA literature available to Wayland-Cohocton Central School District employees. The literature must not contain any statement which indicates that the Board of Education or the administration

recommends the plan.

b) Once contacted by a Wayland-Cohocton Central School District employee, an agent of the company 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.

c) Employee information, including addresses and/or telephone numbers will not be provided to company's agents. Initial contact with the agent must be made by the employee.

Section D - Periodic Statements

The employee shall be responsible for requesting periodic statements from the company and for verifying the accuracy of the statements.

Adopted: 4/11/11