Administrative Regulation

PAYROLL DEDUCTIONS – TAX-SHELTERED ANNUITIES

A. Employees are encouraged to seek advice from their own personal investment counselor before entering into one of the annuity plans authorized by the superintendent of the Ingham Intermediate School District.

B. It is the responsibility of all employees utilizing this plan to comply with all laws and federal regulations concerning their yearly contributions.

C. Acceptance of any vendor or tax-sheltered annuity program does not constitute an endorsement by the district.

D. The purchase of an annuity contract for an employee, in compliance with a tax-sheltered annuity deduction agreement [3921.00-R(1)E(1])] between that employee and the district shall result in no liability for the district. Further, any assistance or instruction from school district personnel is not intended to be financial advice.

E. The Internal Revenue Code requires that the employee's rights to a "tax- sheltered" annuity be non-forfeitable, except for failure to pay premiums. Therefore, the employee is the owner of the contract and possesses all ownership rights without any conditions imposed by the employer to exercise such rights. The employee is the owner of the contract at the time of termination.

F. One completed copy of the annuity deduction agreement signed by the employee must be submitted to the business office. Any other forms required by a company must be sent directly to the company (not available from or submitted to the business office). This includes transfers between funds of current or prior deductions.

G. Employees may change the tax-sheltered annuity deduction amount per pay any time during the calendar year. The vendor may also be changed or the deduction may be terminated at any time.

H. All requests for annuity deductions must be received by payroll no later than two weeks prior to the scheduled pay date. No deductions are made on the third pay day in any month in which three pay days occur.

I. Requests will be subject to district testing for I.R.S. compliance, and employees will be notified by the business office of the need to revise any request for which the desired amount is not eligible for tax-deferred status, as determined by I.R.S. worksheets.

J. Company representatives shall not solicit or disrupt staff members during work time.

K. Any questions concerning the tax-sheltered annuity requirements of the district should be directed to:

Business Office
Thorburn Education Center
2630 West Howell Road
Mason, Michigan 48854
Phone: (517) 676-1051

ADMINISTRATIVE REGULATION

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