DEFERRED COMPENSATION PLANS

A. Determination of Agents and Companies

1. The District utilizes a third party administrator for the reporting and monitoring of all 403(b) plans.
   
   a. The agent must have not less than five (5) employee signed applications for a deferred compensation plan.
   
   b. An annuity company must compile the maximum deduction calculation for any increase in an existing deferred compensation plan or any new deferred compensation plan and must sign an “indemnification and hold harmless agreement”.
   
   c. All deferred compensation vendors must sign a sharing agreement with the District’s third party administrator.

B. Time Period for Solicitation, Implementation and Changes

1. Deferred compensation plan contracts may be solicited by authorized agents at any time. However, employees are not to be approached by agents at their school building or during their normal working hours.
   
2. New applications of deferred compensation plans will be accepted at the Payroll Office anytime during the year and will be deducted from the next payroll after approval of the third party company.
   
3. Changes to existing deferred compensation plans may be made at any time upon third party approval.
   
4. All new applications or changes in existing contracts are to be submitted not less than two (2) weeks before the effective date of the implementation.
C. **Forms and Process**

1. Each soliciting agent is to use the deferred compensation plan forms provided by the Third Party Administrator. They are to be completed and returned to the Payroll Office. These will include the following:

   a. Salary Reduction Agreement - Must be signed by employee and the third party administrator. In the case of a 457 account, the employee must sign as well as the Superintendent of Schools or the superintendent’s designee and returned to the Payroll Office.

   b. Discontinuance Form - Must be signed by employee and returned to the Payroll Office for their records and submitted to the third party administrator.

D. **Payroll Office Procedures**

1. The minimum payroll reduction permitted will be twenty dollars ($20.00) per pay.

2. All withholding deductions will be forwarded to the third party administrator for distribution within five business days after the pay date.

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