

## SCHOOL BOARD POLICY

### ANNUITIES

NEPN/NSBA CODE: DLB

So that employees may obtain the benefit of tax-sheltered annuities, the Board hereby authorizes the adoption of a Tax Sheltered Annuity Plan. The Superintendent is authorized to sign a written Tax Sheltered Annuity Plan (the "Plan") on behalf of the Board.

The school department offers its employees the opportunity to participate in a defined contribution retirement plan, also known as a tax sheltered annuity of 403(b) program. This program will be maintained and operated pursuant to a written plan.

#### **Plan:**

The written plan will contain all the material terms and conditions for eligibility, benefits, applicable limitations, the contracts available under the plan, and the time and form under which benefit distributions may be made.

The written plan will also address any optional features, including hardship withdrawal distributions, loans, issuance of annuity contracts and information sharing agreements, plan-to-plan or annuity contract-to-contract transfers, and acceptance of rollovers to the plan, which are included in the Department's program.

The written plan may allocate responsibility for administrative functions, including functions to comply with the requirements of 26 U.S.C. § 403 (b) and other tax requirements. The written plan may assign such responsibilities to parties other than the school division, but not to participants (unless the administration of the plan is a substantial portion of the duties of the participant). The written plan may incorporate by reference other documents which thereupon become part of the written plan. The written plan may address termination of the program.

#### **Participants:**

Any employee may participate in the Tax Sheltered Annuity Plan, subject to the limitations of the Plan and the Internal Revenue Code.

Every employee of the school division will annually be notified about the program.

#### **Vendors/agencies:**

Any vendors/agencies wishing to sell tax sheltered annuities to employees must file with the Superintendent evidence of its license to sell such annuities in the State of Maine.

Only those vendors/agencies who agree to comply with the terms of the Plan shall be permitted to participate as an annuity provider. In accordance with the Plan, the Board retains the right to limit the number of annuity providers authorized to sell annuities to employees.

At no time will solicitation by providers of tax-sheltered annuities be permitted in school buildings or on school property during regular school hours.

Legal Refs.: 26 U.S.C. § 403(b)  
26 CFR 1.403(b)-1 et seq.

Medway adoption: May 20, 2003  
East Millinocket adoption: May 12, 2003

Revised adoption: August 4, 2009