

Policy

TAX DEFERRED ANNUITIES

The Paulsboro Board of Education shall make available to all employees the opportunity to participate in benefits under Section 403(b) (1) (7) of the Internal Revenue code of 1954 as amended and other pertinent present of future federal laws. Said availability shall be in accordance with guidelines and operating rules and regulations approved by the Board of Education.

The Board of Education criteria for selection of a company providing a tax shelter annuity shall be such as to ensure maximum protection of employee assets.

Criteria for selection of a tax shelter annuity will be developed by the Superintendent of Schools.

The Superintendent shall, through appropriate delegation, be responsible for:

- A. Developing criteria applicable to the selection of a tax shelter annuity for Board of Education approval.
- B. Recommending a limited list of companies offering Tax Shelter Annuities to be approved by the Board of Education.
- C. Providing the pertinent information necessary to facilitate review and appraisal of companies offering Tax Sheltered Annuities.

Due to work load in the business office, no more than three (3) separate tax shelters will be authorized by the Board.

All Board adopted Tax Shelter Annuities shall be evaluated bi-annually according to criteria developed by the Business Administrator/Board Secretary.

The Paulsboro School District and Board of Education assumes no responsibility for any of the tax deferred annuity programs in effect in the district. The Vendor shall hold harmless and indemnify the Board of Education, the School District, their officers and employees, from every claim and demand including those based upon negligence of the employer, their officers and employees, which may be made by reason of the purchase of annuities by the employer.

Adopted: 1994
NJSBA Review/Update: November 2008
Readopted: March 2009

Key Words

Payroll Authorization, Salary Checks, Deductions

Legal References: N.J.S.A. 18A:66-127
N.J.S.A. 18A:66-128
N.J.S.A. 18A:66-129
N.J.S.A. 52:18A-107 et seq.

Agreement for reduction in salary for purchase of annuity; contents; limitation; termination
Reduction in salary for purpose of benefits under Sec. 403 (b) I.R.C.
Prior agreements validated