

Emery County School District



Policy: DLB—Tax Sheltered Annuity Programs

Date Adopted: 7 December 2011
Current Review / Revision: 18 June 2013

This policy defines practices and procedures for the administration of tax-sheltered annuity (TSA) programs in the District. All TSA programs in the District are regulated by the most current version of the District's 403(b) plan document. The plan document governs in the event of conflicting language.

The District utilizes a third-party administrator for TSA programs. The third-party administrator provides common remitting and plan administration services. Any company desiring to be on the approved list of TSA companies for the District must be willing and able to work through the third-party administrator for both remittance and compliance services.

The District does not officially endorse or recommend any TSA program or company. Approval of a company for a payroll slot does not imply endorsement by the District. TSA companies shall not imply District endorsement either verbally or in printed materials. Companies found in non-compliance will be considered for exclusion from the payroll deduction system.

The District does not endorse or assume responsibility for the performance or stability of any annuity program. TSA enrollment is at the employee's risk.

Employee participation in TSA programs shall be strictly voluntary. All non-temporary employees of the District are eligible for participation, based on Federal universal availability requirements for TSA plans. Participation in a TSA program is not a District benefit. Employees shall be notified of their right to participate in a TSA program on an annual basis.

New enrollments or deduction changes will only be allowed during the open enrollment periods of March, June, September and December. Enrollments or changes must be received by the 15th of these months and will take effect on the 1st of the following month.

A TSA company must be approved by the District for a payroll slot. There is a limit of ten slots for payroll deduction. The District shall determine the criteria qualifying a TSA company for a payroll slot.

Marketing and education representatives from all TSA companies approved for a payroll slot in the District are encouraged to attend the annual benefits fair. Representatives may also place TSA information in employee boxes once per calendar year. Direct solicitation is not permitted at any school or District location unless approved by the principal or business administrator. Direct solicitation is never permitted during regular working hours when it would interfere with the delivery of education. In addition, sales representatives may not schedule appointments with existing District clients during regular working hours, including prep periods for teachers. Representatives found in non-compliance will be considered for exclusion from the payroll deduction system.

Each TSA company must guarantee that the maximum exclusion allowance (MEA) calculated for each enrollee does not exceed the maximum allowable exclusion permitted by law. The guarantee must provide that the company will pay any

interest or penalties imposed on the employee and/or employer if it is determined that the maximum exclusion allowance has been exceeded. The guarantee shall be effective only if the information furnished to the organization is substantially accurate.

TSA Companies must agree to provide the following contract information upon request to Emery County School District:

- History of investment results
- Charges, fees, commissions and penalties
- Contribution policy
- Transfers, loans and withdrawals
- Guaranteed minimum death benefits
- Guaranteed annuity rates

The Board reserves the right to discontinue receiving new applications from any insurance company which the Board deems guilty of unethical practice.