

Central School District 13J

Code: **DLB**
Adopted: 9/10/07
Readopted: 2/07/11
Orig. Code(s): DLB

Salary Deductions

The Board, as provided for in ORS 243.820, authorizes each salaried employee of the district to participate in fixed or variable annuities under the tax sheltered annuities programs authorized by federal and state governments and approved by the Board. Under such programs, each salaried employee has the right to have the cash compensation to which he/she is otherwise entitled for service rendered reduced by an amount specified by the employee but not in excess of the “exclusion allowance” afforded by the Internal Revenue Service.

District-approved TSA companies shall be required to provide employees a maximum exclusion allowance (MEA) prior to the initial withholding, or any changes in withholdings, from employee’s earnings. The employee is responsible for filing a copy of the MEA with the district prior to any district withholding.

Companies which were participating in the tax-sheltered annuity program in this district on September 1, 1988, may continue to solicit individual contracts from district personnel; any company not participating as of that day may become a participating carrier by showing evidence that it had sold at least eight individual contracts to personnel of the district.

The superintendent shall establish appropriate rules for the orderly processing and selling of these employee salary reduction plans.

This policy is adopted to permit employees of the district to obtain the advantages of Section 403(b) of Title 26, United States Code, or any equivalent provision of federal law and it is no way interpreted as an approval or endorsement by the district of any annuity or investment selected by the employee hereunder.

END OF POLICY

Legal Reference(s):

[ORS 243.650\(10\)](#), (16)
[ORS 243.666](#)

[ORS 332.505](#)
[ORS 652.110](#)

[ORS 652.120](#)
[ORS 652.610](#)

I.R.C. §403 (2006).
29 C.F.R. § 541.603 (2004).