File: DLB-R-1 - Proposed New Regulation Tax Deferred Savings Plan

Platte Valley School District offers employee tax deferred savings plans (TSA) in the form of vendor-provided Section 403(b)(1) and 403(b)(7) of the Internal Revenue Code annuity contracts and/or custodial accounts and the PERA 401(k) plan. Platte Valley School District employees may choose to participate in a 403(b) plan, ~~and/or~~ a 401 (k) plan, or PERA Plus457.

403(b)(1) and 403(b)(7) annuity contracts and/or custodial accounts are available under the following conditions:

1. All employees who are eligible for District benefits may enroll in District-sponsored TSA plans. Employees may select only one 403(b) vendor for salary reduction.

2. Employees may utilize any vendors on the District's current participating vendor list. The vendor list will be limited to 5 vendors. This limit will be subject to an annual review by the Superintendent.

3. All vendors offering 403(b) annuities and/or custodial accounts within the District must comply with all District requirements for TSA vendors. Vendors must provide a signed Platte Valley School District Vendor Participation Agreement and maintain commitments of at least 5 Platte Valley School District employees. New vendors will be added to the approved list when 5 or more, Platte Valley School District employees submit a Platte Valley School District Salary Reduction Agreement to the District payroll office. Vendors may be removed from the list at the end of the next open enrollment period, if the vendor is not in compliance with the 5-employee requirement. A vendor will be removed from the list if they fail to provide a signed District Vendor Participation Agreement, or when a vendor fails to cooperate with requests for assistance or information from the District, or when a vendor fails to comply with the employee solicitation guidelines or any other District policy. Vendors will not be allowed access to confidential school directory information.

4. Effective January 1, 2001, newly hired employees may enroll in a TSA Plan within thirty (30) days of their date of hire. If they do not do so, they cannot enroll until the next open enrollment period designated by the District. Open enrollment periods for Platte Valley School District are designated as May 1st to May 31st and December 1st to December 31st.

5. Effective January 1, 2001, current employees may only enroll, increase or reduce salary reductions, during an open enrollment period. All participating employees must annually sign the Platte Valley School District Salary Reduction Agreement and submit the required calculations listed in item 6 during the open enrollment periods.

6. To enroll in a 403(b) plan, the employee must submit the Platte Valley School District Salary Reduction Agreement and Internal Revenue Service Code calculations for sections 402(g)(1), 403(b)(2), and 415(c)(1) to the payroll office.

7. Employees may cease salary reductions to a 403 (b) plan at any time by giving written notice to the Payroll Department no later than the first of the month to be effective for the current pay period. If contributions cease, the employee may not resume contributions until the next open enrollment period.

8. Employees will be allowed to apply maximum contributions in accordance with IRS Regulations and District policy toward any Section 403 (b) of the Internal Revenue Service Code contract for the year. However, all employee contributions are subject to the following limits: (a) they may not exceed the Maximum Exclusion Allowance described in Section 403 (b)(2) of the Internal Revenue Code, (b) employees must comply with Section 402(g)(1) of the Internal Revenue Code, and (c) employees must comply with section 415(c)(1) of the Internal Revenue code.

9. All 403 (b) plan vendors will be assessed an annual administrative fee by the District at the beginning of the calendar year. The fee will be set by the superintendent on an annual basis to defer the cost of monitoring and testing eligibility for employees.

10. Contributions can only be made from salary. Contributions are not allowed from accrued sick leave payments or other amounts that may be payable to an employee upon retirement or termination of employment. **Salary reductions will only be made as a whole percentage of salary earned.** Employees who are currently contributing a fixed dollar amount will be allowed to continue as long as they are in compliance with all IRS regulations.

    Employees participating in the Plan must (a) inform, the District of any other salary reduction plans in which they participate, and (b) provide the District with such information as may be needed to monitor the Plan and assure compliance with all relevant laws, federal and state regulations, and Board Policy and Regulations. The employee agrees, upon request of the District, to instruct his or her plan vendor to release any information or report that is reasonably required by the District for purposes of compliance with Section 403 (b) of the Internal Revenue Code. An employee's failure to comply with the requirements set forth in this paragraph may result in the employee being ineligible for further participation in the Plan.

11. The District does not endorse any company, vendor, fund group, or investment instrument, nor has the District undertaken any investigations regarding the soundness of any company, vendor, fund group, or investment offered. Investments in Section 403(b) of the Internal Revenue Code and any subsequent IRS approved plans available to District employees are made at the sole risk of the employee and the District assumes no liability of fiduciary responsibility.

12. The District has the discretion to apply and enforce the IRS approved guidelines for salary reduction contributions. The District's determination of any issue that may arise under these regulations or the Plan shall be final and binding on the employee and/or the employee's TSA vendor.

The PERA 401(k), and/or 457 plan that areis available under the following conditions:

1. All employees may utilize the PERA 401 (k) and 457 plan as an approved provider for tax deferred savings. The employee must submit the 401 (k)appropriate Plan Contribution Authorization Form and the 401 (k) Plan Deferral Worksheet to the payroll office by the first of the month to be effective for the current month payroll.

2. Salary reductions can be made as a whole percentage of salary earned or as a fixed dollar amount.

3. Any change in deductions made by an employee must be in the payroll department by the first of the month to be effective for the pay period.

4. The District does not endorse any company, vendor, fund group, or investment instrument, nor has the District undertaken any investigations regarding the soundness of any company, vendor, fund group, or investment offered. Investments in Section 401 (k) and 457 of the Internal Revenue Code are made at the sole risk of the employee and the District assumes no liability of fiduciary responsibility.

5. The District has the discretion to apply and enforce the IRS approved guidelines for salary reduction contributions. The District's determination of any issue that may arise under these regulations or the Plan shall be final and binding on the employee and/or the employee's vendor.

These regulations and/or the Plan may be amended or modified in whole or in part or terminated by action of the District at any time in a manner which is consistent with the requirements of Section 403(b) of the Internal Revenue Code and Section 401 (k) of the Internal Revenue Code, and Section 457 of the Internal Revenue Code.

Adopted December 11, 2000
Reviewed: April 16, 2018

Platte Valley School District, Weld RE-7