

**POLICY NO. 4315**  
**Adopted: 2-28-96**  
**Revised: 2-14-07**

## **TAX DEFERRED ANNUITY/COMPENSATION**

### **POLICY:**

The Board may contract with a staff member to defer any portion of his/her compensation in a credit union savings and loan association, bank or other such financial institution, or insurance company as set forth in RCW 28A.400.240. In addition, the District may, at the staff member's direction, provide and cause to be paid from the employee's compensation to a tax deferred annuity for the purpose of funding a tax deferred annuity program.

The Board will enter into a tax deferred annuity contract when five (5) or more staff members request the District to enter into a contract with a company of the staff members' choice authorized to do business in the state of Washington through a Washington-licensed insurance agent.

The Superintendent is directed to create a tax deferred annuity program at the request of five (5) or more staff members.

Procedures shall address:

- A. Staff responsibilities for carrying out the deferred annuity program;
- B. How and when staff members can be contacted by representatives of companies licensed to do business in the state of Washington provided that no staff member shall be personally contacted during the normal work day;
- C. Assurance that the District shall be held harmless for any actions occurring after the authorized funds have been disbursed to the company designated by the staff member.

Legal Reference:

RCW 28A.400.250 Tax deferred annuities

**TAX DEFERRED ANNUITY/COMPENSATION**

**PROCEDURES:**

Interested staff may elect to defer a portion of their salary or wages to pay for a tax deferred annuity provided that five (5) or more staff members request the District to enter into a company licensed to do business in the state of Washington. The following procedures are established for this purpose:

- A. A staff member may request a Deferred Tax Annuity Authorization Form from the District Business Office. The interested staff member shall complete the authorization by indicating: name of the company offering the deferred annuity program; the name of the Washington-licensed insurance agent; the amount of wages or salary to be deferred in equal installments for the balance of the school year; and a signed statement that the District shall be held harmless for any actions occurring after the authorized funds have been disbursed to the company designated by the applicant.
- B. When five (5) or more staff members have submitted authorization forms to the Business Office from the same company, the Business Office will contact the named Washington-licensed insurance agent to enter into a contract with the District for the purpose of establishing a tax deferred annuity program for the requested staff members. The insurance agent shall provide evidence that he/she is a licensed agent in the state of Washington and the represented company shall submit a statement which holds the District harmless for any actions occurring after the authorized funds have been disbursed to the agent.
- C. The authorization will remain in force until modified by the staff member so long as he/she is an employee of the school district.
- D. Promotional literature may not be distributed through district mail channels.