

6520 PAYROLL DEDUCTIONS

The Board of Education shall, in accordance with law or employee authorization, make deductions from an employee's paycheck and remit the amounts deducted to the agent designated by the employee.

Deductions will routinely be made as required for federal income tax, social security and medicare; New Jersey income tax, unemployment assistance, and other miscellaneous taxes; and by the New Jersey Division of Pensions.

Deductions may also be made, provided they have been duly authorized by the employee in writing, for contributions on the employee's behalf for:

1. The payment of premiums for group life, accidental death or dismemberment, hospitalization, medical, surgical, major medical, health and accident, and legal insurance plans, N.J.S.A. 18A:16-13;
2. Tax sheltered annuities or custodial accounts, N.J.S.A. 18A:66-127;
3. Payments to a credit union, N.J.S.A. 40A:19-17; and
4. Bona fide organizational dues, N.J.S.A. 52:14-15.9e.

Contributions shall be made as soon as is reasonably possible after the funds have been deducted from an employee's salary. No contribution shall be made on behalf of an employee until the amount contributed has been deducted from the employee's salary.

Tax Shelter

The program of Tax Deferred Investment opportunities established by the Board shall be classified as an "arrangement" and not as a "plan", as set forth by Department of Labor Determinations and as incorporated in the Coordinated Examinations Program of the Internal Revenue Service.

403(b) Availability

The Point Pleasant Board of Education (the "employer") adopted this policy solely to clarify, to the extent required by 26 U.S.C. § 403(b), which employees may make § 403(b) salary-reduction agreements and under what conditions the employer will accept those agreements. This policy is an arrangement only to that extent.



Eligible Employees

Any permanent employee working twenty hours or more a week is eligible. Only an employee may agree to § 403(b) contributions. A leased employee, independent contractor, or self-employed person is not eligible.

Salary-Reduction Agreements

The employer will accept a § 403(b) salary-reduction agreement only if it is requested on the form that the employer prescribes for this purpose. Also, an employee must agree to a salary reduction that is at least \$10.00 per pay or \$200.00 per year (whichever is less). The employer will accept a § 403(b) salary-reduction agreement only if it specifies the insurer or custodian and the annuity contract or custodial account (a "contract") to which the participant directs contributions.

Contribution Limits

A participant's contributions must meet the § (415(c) annual-additions limit, the § 403(g) elective-deferral limit, and all other limits that apply under or concerning § 403(b). The employer may refuse a salary reduction that the employer believes would result in exceeding a limit. As long as it does not impair in a way that violates § 403(b)(12)(A)(ii) an employee's opportunity to make a salary-reduction agreement, the employer is not liable for refusing a salary reduction that would not have exceeded a limit. Except for its duties to report and withhold taxes from wages, the employer is not liable for permitting a contribution that exceeds a limit.

Available Contracts

A contract can be available as a § 403(b) investment option only if the employer has confirmed that all of the following requirements are met:

1. The contract is an annuity contract or is a custodial account that holds only mutual fund shares.
2. The annuity insurer is an insurance company, or the custodian is a bank or trust company.
3. The insurer or custodian has signed and delivered to the employer an indemnity agreement in the form required by the employer.



Benefits

A participant's benefits are those provided by his or her contract or contracts. Without limiting the comprehensive effect of the preceding sentence, an optional hardship distribution, loan, exchange or transfer (if any) is available as provided by each contract. The employer provides no restriction on benefits other than requiring that a contract meeting the requirements of § 403(b).

403(b) Requirements

The parties to each annuity contract or custodial account are responsible for observing all requirements needed for the contract to qualify for § 403(b) tax treatment.

Tax-Sheltered Annuities

The Board of Education shall permit payroll deductions from all employees for the purpose of tax-sheltered annuities. The deductions shall conform to the following:

1. There shall be two enrollment dates annually.
 - a. Employees may enroll at the beginning of a school year by applying for a TSA deduction or for a change in an existing TSA deduction during the period July 1 to October 1.
 - b. Employees may enroll at the beginning of a calendar year by applying for a TSA deduction or for a change in an existing TSA deduction during the period January 1 to January 31.
2. An employee may request cancellation of a TSA deduction at any time during the year; however, re-enrollment is permitted only within the time period described in paragraph one above.

No Board employee shall withhold or pay to another or purchase or have assigned, other than by court order, any compensation for the services rendered by an employee of this district.

N.J.S.A. 18A:16-9; 18A:66-19; 18A:66-30; 18A:66-78; 18A:66-128

N.J.S.A. 43:3C-9

N.J.S.A. 52:14-15.9; 52:18A-107 et seq.

N.J.S.A. 54:8A-9

N.J.A.C. 6A:23-2.8; 6A:23-2.10

Adopted: May 26, 2009

