

FINANCIAL MANAGEMENT

Tax-Sheltered Annuities

1. Employees eligible under Section 403(b)12 of the Internal Revenue Code are eligible to participate in the district sponsored 403(b) tax-sheltered annuity program by completing Kennewick School District No. 17 Salary Reduction Agreement. The above mentioned Salary Reduction Agreement must be executed and signed by the employee. A list of currently authorized vendors is available in the Payroll Office of the Administration Building. The employee is responsible for making sure contributions comply with Internal Revenue Service regulations. The district 403(b) tax sheltered annuity program is administrated in accordance with the District Plan Document.
2. There is a minimum monthly contribution of \$25.00 that must be made in order to start a 403(b) annuity. Monthly contributions are not to exceed 100% of net pay.
3. Salary Reduction Agreements for participation in a 403(b) tax sheltered annuity will be accepted at any time during the year for starting a new 403(b) contribution. Regular elective deferrals are limited to the maximum annual amount allowed by law.
4. Authorized 403(b) vendors eligible to accept employee contributions are those vendors having entered into applicable agreements with our third party plan administrator and/or Kennewick School District. Any company wishing to be added to the authorized vendor list must have five (5) or more employees signed up to participate with their program.
5. The district's Payroll Office will act on behalf of the district in the administration of the tax-sheltered annuity program by processing documents and the transmission of funds to the appropriate company. Employee 403(b) deductions will be made monthly. Payments to individual insurance companies or service providers will be made once per month.
6. Employees may stop making contributions to their 403(b) annuity at any time during the calendar year (taxable) year by submitting signed and dated written notification of cancellation to the Payroll Office.

Washington State Deferred Compensation Program

1. The Washington State Deferred Compensation Program is governed by Section 457(b) of the Internal Revenue Code and Washington state law. The program is available to Washington State public employers and their employees.
2. Employees eligible for district medical benefits are eligible to participate in the State Deferred Compensation Program.
3. Enrollment is made by the employee to the State Deferred Compensation Program

Administrative Regulation No. 7520
Tax-Sheltered Annuities - Continued

through a participation agreement. The district Payroll Office reviews eligibility prior to the processing of any deferred compensation submittals to the program.

4. Employees participating in the state deferred compensation plan administered by the department shall self-direct the investment of the deferred portion of their income through selection of investment options offered through the program.
5. The program requires a minimum monthly contribution of \$30.00.
6. Employees may change or suspend deferral amounts at any time.

Legal Reference:

[RCW 28A.400.250](#)
[WAC 415-501](#)
[RCW 41.50.770](#)

Tax Deferred Annuities
Deferred Compensation Plan
Deferred Compensation Plans

Revised: July 11, 2007 (Effective beginning with 2007-2008 school year.)
Revised: December 2008
Revised: January 2013