

TAX SHELTERED ANNUITIES

The Bangor School Committee makes available to all employees a voluntary salary reduction 403(b) program into which employees may electively defer compensation to be deposited in fixed and variable annuities which are qualified under Section 403(b)(1) of the Internal Revenue Code or custodial accounts offering regulated investment company stock under Section 403(b)(7) of the Internal Revenue Code.

Under the Bangor School Committee's 403(b) program, each participating employee retains all rights to the individual 403(b) account (or accounts), and each employee exercises the right of selection of any of the products or investment options made available by service providers that meet the requirements for participation in the 403(b) program. The School Committee makes no investment recommendations and bears no responsibilities for employees' selection of any annuity product or custodial account, and makes no representations to employees about the advisability, appropriateness or tax consequences of any 403(b) account to which contributions are made.

It is the intention of the School Committee that the 403(b) program will conform with the applicable federal and state statutory requirements, and that employee salary reduction contributions to the program be within eligible limits as set out in IRS regulations. Each employee, and not the Bangor School Committee, shall be individually responsible for determination of those eligible limits.

The School Committee authorizes the Superintendent to act on the School Committee's behalf with respect to the plan, to formulate rules and procedures for the purchase by employees of 403(b) accounts, and to develop procedures for the administration of the plan.

VENDOR AGREEMENTS

A vendor agreement in a form prescribed by the School Department's third party administrator shall be executed by each service provider. Execution of this agreement shall be a requirement for establishing automatic payroll deduction for any service provider.

FREQUENCY OF PAYROLL DEDUCTION CHANGES

Employees may not change the level of payroll deductions for annuity premiums more frequently than two (2) times per calendar year except under unusual circumstances and subject to the approval of the Superintendent of Schools.

REVISED: July 30, 2014
REVIEWED: October 11, 2018

