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4 TAX SHELTERED ANNUITIES
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7 **A. Definition**
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9 The tax sheltered annuity plan provides employees an opportunity to designate salary
10 deductions that are used to purchase tax sheltered annuities. These annuities are "tax
11 sheltered" in that the amount of the deduction is not reported as income and taxes are not
12 paid on the deducted portion until the funds from the annuity are received by the employee,
13 usually after retirement. Annuities are purchased through "admitted" companies. The
14 Board must approve each annuity plan.
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16 **B. Authorization/Liability**
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- 18 1. District employees are approved for participation in legally authorized tax sheltered
19 annuity programs. In making such provision the Board does not necessarily
20 recommend their use, or recommend any "admitted" program in particular.
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- 22 2. Each employee who chooses to participate in a program accepts sole responsibility
23 for any contractual arrangement between the employee and an "admitted"
24 company.
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- 26 3. The Chancellor, Controller, or Personnel Officer is authorized to act in respect to
27 the purchase, administration, and termination of these annuity contracts and to
28 sign the amendment of employment contract.
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30 **C. Admitted Companies**
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- 32 1. A company becomes "admitted" by executing a copy of the current indemnity
33 agreement provided by the San Bernardino County Schools Office and filing this
34 agreement with the District.
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- 36 2. A list of "admitted" companies, information on procedures, and forms as required
37 by the San Bernardino County Schools Office are available in the District's Payroll
38 and Personnel offices.
39
- 40 3. Each "admitted" company must agree to the following:
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 - 42 a. The latest County approved amendment of employment contract must be
43 used;
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 - 45 b. The responsibility for correctness of the computation of the deduction shall
46 be the responsibility of the party making such computation;
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 - 48 c. Incidental life insurance shall not be included in a tax
49 sheltered annuity contract;
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 - 51 d. The employee's annuity contract shall be transferred to another authorized
52 school or college district if the employee changes employment and if the
53 new district will accept the contract.
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