
TAX SHELTERED ANNUITIES

- 1) The District shall arrange for the purchase of tax deferred annuity contracts which are intended to meet the requirements of Section 403 (b) of the Internal Revenue Code of 1954, as amended, on behalf of any employee of the District who elects to participate in such program if the following conditions are satisfied:
 - a) at least five (5) employees of the District have requested the purchase of such contract from the company to whom the application is directed; and
 - b) such company is authorized to do business in the state of Washington through a Washington-licensed insurance broker or agent through whom the contract is purchased.
- 2) An employee may elect to participate in any available tax deferred annuity program by completing an appropriate application for participation with the insurance company of the employee's choice, which application shall designate the beneficiary or beneficiaries under the annuity contract and shall set forth such other information as may be required by the insurance company to enable the District to purchase an annuity contract on the employee's behalf.
- 3) Premiums under such annuity contracts shall be paid on behalf of the employees through the District's payroll authorization plan. Completed applications to participate in a tax sheltered annuity program received prior to the tenth (10th) of the month will be reflected in that month's payroll; requests received after the tenth (10th) of the month will be held and reflected beginning with the following month's payroll.
- 4) Unless prior permission has been received from a building principal or the administrator in charge of facilities other than schools, no broker, agent or other representative of an insurance company may enter District premises during normal school hours for the purpose of soliciting any employee regarding the purchase by the employee of any tax deferred annuity, insurance policy or other investment. At school buildings when school is in session "normal school hours" shall coincide with the teachers' work day as defined in the currently applicable collective bargaining agreement between the District and the bargaining representative of its certificated staff. At District facilities where no instruction takes place, "normal school hours" shall mean the normal working hours established for employees assigned to any such facility.
- 5) The District's business office shall maintain a list of currently available tax sheltered annuity programs, together with the names and telephone numbers of brokers or agents representing the insurance companies issuing such contracts. Employees shall have access to this information upon request.
- 6) The District does not review, scrutinize or recommend any annuity contract and is required by law to approve the participation of any insurance company if the requirements or paragraphs one (1) and seven (7) of these procedures are met. Therefore, the District assumes no responsibility for any aspect of any annuity program which is available.
- 7) The District shall require participating companies to execute an agreement which includes an indemnification provision in substantially the following form:

"Indemnification. The Company does hereby indemnify and hold harmless the Olympia School District, and its directors, employees and agents, from and against any and all claims, losses, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) in any way arising out of or in connection with the sale by the Company of any annuity contract to any employee of the District. The undersigned hereby represents that he/she is authorized by the Company to make the foregoing indemnification agreement on behalf of the Company."

- 8) The following notice is to be given employees upon their decision to select a tax sheltered annuity program:

"NOTICE TO EMPLOYEE: The District must, under state law, make arrangements for annuity purchases with any licensed insurance company, at the request of any five (5) or more employees.

"The District has not made any investigation as to the financial health, or the resources or reputation, of any annuity-issuing company or its agents or brokers. The selection of the insurance company issuing your annuity is your responsibility.

"The District makes no warranty or representation as to the tax status of any payments made or received by you under any annuity contract, or as to the tax or financial consequences to you of executing any annuity contract. These matters should be discussed with any insurance agent or broker or financial advisor."



<i>POLICY ADOPTED</i>	<i>December 17, 1984</i>
<i>REVISED</i>	<i>February 12, 1996</i>
<i>RENUMBERED</i>	<i>May 12, 2003</i>
<i>REVIEWED</i>	<i>October 24, 2011</i>