

## DEFERRED COMPENSATION PROGRAMS

### Tax Deferred Annuity / 403(b) Plans

Interested staff may elect to defer a portion of salary or wages to pay for a tax deferred annuity under Internal Revenue Code (“Code”) Section 403(b)(1) or to invest in custodial accounts under Code Section 403(b)(7). Such staff may choose from a list of investment providers with which the Port Angeles School District (the “District”) has already contracted, or may request a new investment provider in accordance with the procedures below.

1. To participate in the Deferred Compensation Program, a staff member must submit a completed salary reduction agreement form to the District's Third Party Administrator (“TPA”). The completed form includes: (1) the name and signature of the staff member; (2) the name of the investment provider selected by the staff member; (3) the name of the Washington-licensed agent; and (4) the amount of wages or salary authorized to be deferred. The salary reduction agreement is available through the District’s TPA.
2. If five or more staff members have submitted salary reduction agreement forms to the TPA requesting an investment provider with which the District has not yet contracted, the TPA will contact the named Washington-licensed agent to enter into a contract with the District. The agent shall provide evidence that he or she is a licensed agent in the state of Washington and the investment provider has been authorized to do business in the state of Washington. Prior to contracting with the investment provider, the District may require the investment provider to execute a reasonable agreement protecting the District in accordance with RCW 28A.400.250. Salary deferrals shall not be directed to such investment provider until the District has contracted (and such agreement has been executed, as applicable) with the investment provider.
3. The salary reduction agreement will remain in force until modified by the staff member as long as he or she is an employee of the District.
4. Agents of investment providers may not contact individual District staff members during working hours. With prior approval, promotional literature may be sent to schools to be made available to District staff members at times designated by the District. To obtain permission, agents must complete and submit a “Request to Distribute Materials” to the Executive Director of Business and Finance. Agents who fail to comply may be removed from the list of approved providers.

Legal References: RCW 28A.400.250  
Chapter 41.32 RCW  
Chapter 41.35 RCW  
RCW 41.50.150

Tax Deferred Annuities  
Teachers' Retirement  
School Employees Retirement System  
Retirement benefits based on excess  
compensation — Employer liable for  
extra retirement costs  
Distribution of Materials

Cross Reference: Board Policy 4060P

**Adopted: 6/25/2007**