

## CLASSIFIED EMPLOYEE TAX SHELTER PROGRAMS

Employees may elect to have amounts withheld from their pay for items authorized by law, subject to agreement of the district. The board may authorize the administration to make a payroll deduction for classified employees' tax sheltered annuity premiums purchased from a company or program chosen by the board.

Classified employees wishing to have payroll deductions for tax sheltered annuities will make a written request to the superintendent.

***Note: The school district time frame for adding or changing tax-sheltered annuities should be reflected in this policy, if the school district uses one. The time frame should be inserted in the blank in the second paragraph.***

***Note: Boards should adopt IASB sample policies to meet the needs of the local district. Please ensure that the language contained in local policy is consistent with language contained in other district documents (e.g., handbooks, master contracts, etc.).***

***For more detailed discussion of this issue, see IASB's Policy Primer, Vol. 25 #4 – May 1, 2017.***

Legal Reference: Small Business Job Protection Act of 1996, Section 1450(a), repealing portions of IRS REG § 1.403(b)-1(b)(3).  
Iowa Code §§ 260C; 273; 294.16.

Cross Reference: 706 Payroll Procedures

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