

ADMINISTRATIVE PROCEDURE

OPERATIONAL SERVICES

Fiscal Management – Payroll Deductions – Morton Community Unit School District 709 403(b) Retirement Plan

1. General

This Administrative Procedure supplements the Resolution adopted by the School District formally establishing the 403(b) Retirement Plan under Internal Revenue Code §403(b). Any discrepancies between the 403(b) Retirement Plan document and this Administrative Procedure shall be governed by the Plan document.

All employees working 1000 hours or more are permitted to participate in the Morton Community Unit School District 709 403(b) Retirement Plan by means of payroll deductions. Contracts for the 403(b) Retirement Plan must be issued by vendors approved by the Plan. The following regulations are prescribed:

- (a) No solicitation may be done during school hours. Any attempt to contact school personnel by either insurance agents or school employees during school hours will be reported to the administration. Such action may result in the termination of the payroll deduction privilege for the company involved.
- (b) No approved vendor will be allowed to use school personnel meetings or school time to explain their program.
- (c) Payroll deductions for all contracts will be made over 24-pay periods. This includes noncertificated as well as certificated personnel.
- (d) A 403(b) Salary Reduction Agreement will be required with all salary reduction agreements.
- (e) The vendor must agree to have an Information Sharing Agreement on file in our administrative office.
- (f) A 403(b) vendor, which is not currently an approved vendor, must provide the payroll department with applications from three (3) employees to be placed on

our vendor list, providing space is available.

- (g) The Board of Education reserves the right to deny an employee's request for payroll deduction for a 403(b) retirement plan if the deduction exceeds the District's interpretation of the Federal law, does not comply with the 403(b) Retirement Plan document, or does not comply with these administrative procedures.
- (h) An employee participating in the 403(b) Retirement Plan must complete a 'Salary Reduction Agreement'.
- (i) These guidelines may be amended from time-to-time as deemed necessary.

2. Accounting Procedures

- (a) A salary reduction agreement form will be furnished by the District. This form must be properly completed and submitted to the Payroll Department.

ADOPTED: March 5, 1996
REVISED: May 15, 2001
REVISED: October 2, 2001
REVIEWED: September 19, 2006
REVISED: December 22, 2010
REVISED: August 28, 2013