

PRESTON COUNTY BOARD OF EDUCATION

FILE: 5 – FINANCIAL MANAGEMENT

File: 5-12 Tax Sheltered Annuities

Last Reviewed: 6-28-10

Next Review: 7-01-12

Pursuant to WVC §18-25-1, the Preston County Board of Education may provide by written agreement between the Board and any of its employees, a service whereby tax deferred investments may be automatically made from their salary. The program selected by the employee must qualify for tax deferral under the United States Internal Revenue Code.

(WVC §18-25-1; Federal Internal Revenue Code Section 403)

Tax Sheltered Annuities Regulations

All tax sheltered annuities shall be subject to the following policy provisions:

- ❖ All solicitation will be allowed in school buildings and on school time contingent upon Superintendent and principal approval.
- ❖ The only companies authorized to offer tax sheltered annuities in Preston County are as follows:
 - Franklin Life Insurance Company;
 - American Express;
 - Horace Mann;
 - Etna;
 - Northern Life/ Reliastar;
 - Metropolitan Life;
 - Sec First/Met Life;
 - Oppenheimer;
 - Putnam;
 - Washington Life; and
 - Tarrell Ries – 403B ASP

Any company not listed above must present at least five (5) applications from individual employees for tax sheltered annuities before that particular company may be added to the list of authorized companies.

- ❖ All deductions for tax sheltered annuities will be made in the same number of deductions as the number of pays for that individual.
- ❖ Any individual purchasing an annuity contract shall sign a salary reduction agreement as required by the Internal Revenue Service on forms provided by the Board of Education or by the company.
- ❖ Each insurance company must supply each individual signing a contract with supporting evidence that the plan offered is within the Internal Revenue Service guidelines.

- ❖ All tax sheltered policies shall be effective only after approval of the Board's agent and subsequent acceptance by the insurance company. All such applications must be received twenty (20) days prior to the employee's pay date at which such deduction would normally be made.
- ❖ Companies must adequately explain their tax sheltered program to employees in their presentation and must make it clear that they are in no way representing the Board of Education. Any company failing to comply with any of the above provisions may be removed from the list of approved companies.

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Adopted: August 14, 2000
Amended/Reviewed: June 28, 2010