



## **4405.3: PAYROLL DEDUCTIONS - 403(B) TAX SHELTERED ANNUITIES AND CUSTODIAL ACCOUNTS**

**I. Employees desiring to participate in a 403(b) tax-sheltered annuity or custodial account program shall have:**

**A. Selected a sponsoring company from the list of companies approved by the District;**

**B. Completed the sponsoring company's required forms;**

**C. Completed the District's salary reduction agreement available through the payroll office, at least 15 days prior to the scheduled payroll start date; and**

**D. Have the sponsoring company file a Hold Harmless Agreement with the District (unless an executed Hold Harmless Agreement is already on file with the District).**

**II. The District shall have available a list of companies through which employees currently have tax-sheltered annuities or custodial accounts. The District will not select nor recommend nor provide any advice to employees with respect to an annuity contract or custodial account in which the employees' contributions are invested.**

**III. An employee who desires to contribute more than the maximum elective deferral shall provide the District such information as is needed to ensure that the amounts contributed in excess of the maximum will qualify under the Internal Revenue Service rules.**

**IV. The employee and the sponsoring company are responsible for determining that the salary reduction amount does not exceed the limits as set forth in applicable law. The employee must agree to indemnify and hold the District harmless against any and all actions, claims and demands whatsoever that may arise from the purchase of annuities or custodial accounts for employees in amounts in excess of contribution limits as defined under applicable law.**

**V. The employee must agree that the District shall have no liability whatsoever for any and all losses suffered by the employee with regard to his or her selection of the annuity and/or custodial account, its terms, the financial condition, operation of, administration of, or benefits provided by the company providing the annuity and/or custodial account. The sponsoring companies shall be responsible for monitoring compliance with all applicable statutes and regulations, and the District assumes no responsibility therefor.**

**VI. The District shall adopt: (a) a Plan Document to satisfy the requirements of section 403(b) of the Internal Revenue code of 1986, as amended, as a defined contribution tax-deferred annuity plan of a governmental entity; and (b) an Investment Policy regarding the selection and de-selection of funding vehicles and investment providers (vendors).**

**Date of Adoption**

August 21, 1978

**Date of Revision**

February 3, 1992

June 15, 1998

March 7, 2005

December 15, 2008

December 19, 2011

November 6, 2017

**Reaffirmed**

January 23, 2023

**Related Policies and Rules**

[4405: Payroll Deductions](#)

**Legal Reference**

Neb. Rev. §§ 36-213; 48-1401; 79-8,100