

CHAPTER 7.00 – BUSINESS SERVICES

TAX SHELTERED ANNUITIES AND CUSTODIAL ACCOUNTS

7.512

Tax Sheltered Annuities, as defined in IRC 401(k), 403(b) and 457(b) may be established. Custodial Accounts may be established with any qualified financial services company (insurance companies and financial services companies are collectively referred to as *Entities* licensed to do business in the State of Florida). The School Board of Sarasota County will allow payroll deductions for any eligible employees' tax sheltered accounts and in accordance with district guidelines, as amended from time to time.

- I. Application Process - All *Entities* must qualify under and agree to the requirements established in district guidelines before an application submitted on behalf of an employee for payroll deductions will be accepted and processed.
- II. Recruitment and/or Solicitation of employees are subject to district guidelines and collective bargaining agreements.
- III. Eligible Employees
 - A. All regularly scheduled employees, with the exception of elected school board members, student workers and contractors are eligible to contribute to a tax sheltered account through salary reduction.
 - B. Employees may commence such salary reductions via payroll deductions at any time during the year according to cut-off dates available to active *Entities*. An employee can commence, restart, increase or decrease the amount of a payroll deduction at any time. All salary reduction transactions require the execution of a Salary Reduction Agreement by the employee.
 - C. When an employee goes to unpaid status, their salary reduction for a tax sheltered account will cease. A new Salary Reduction Agreement must be initiated to restart following a break in employment or unpaid leave.
 - D. If the salary reduction is stopped for a sixth month period by the district after the employee takes a Hardship Distribution from their account as required under IRS guidelines, the employee must submit a new Salary Reduction Agreement in order to resume contributions.

STATUTORY AUTHORITY: 1001.41, 1001.42, 1012.23, F.S.

LAW(S) IMPLEMENTED: 1001.43, 1011.60, 1012.22, F.S.

HISTORY:

ADOPTED: 12/12/95
REVISION DATE(S): 05/7/02, 1/3/06, 10/21/08, 11/6/18
FORMERLY: 6.124

NOTES: