

AR GAL-R Salary Deductions

Issued ~~2/27/96~~ 00/21

For a salary deduction to be established with the district, one of the following criteria must be met:

- The salary deduction is required by law, e.g., Social Security, state and federal income taxes, and state retirement.
- The salary deduction is for personal or extended family benefits including health and dental insurance and/or Money Plus program.

- a civic or non-profit organization, such as United Way.

• The salary deduction is for a local, state or national college scholarship fund drive and approval to establish and/or continue the item as a salary deduction has been given by the superintendent, based upon the following:

- a district-sponsored fund or event to support student or employee needs.

- The sponsoring college must submit to the district evidence of the fund drive's authenticity.

- Each year, the sponsoring college must provide the district with the dates upon which the fund drive begins and ends.

- The salary deduction does not extend beyond the ending date of the scholarship fund drive.

- The district's computer program for payroll must have the necessary space to accommodate the proposed salary deduction.

• The salary deduction is for a tax-sheltered annuity, employee credit union or charitable organization and approval to establish and/or continue the item as a salary deduction has been given by the superintendent, based upon the following:

For initial approval to be given:

- The company or organization and the plan or program for which it wants to establish the salary deduction must meet the provisions of this policy.
- The charitable organization must submit evidence to the district of its current 501(c)(3) status with the Internal Revenue Service.
- The company proposing a tax-sheltered annuity must submit to the district evidence that the annuity qualifies as a tax-sheltered annuity under the rules and regulations of the Internal Revenue Service.
- There must be a minimum of five percent or ~~75~~200 district employees, whichever is less, initially enrolled for the salary deduction.
- The district's computer program for payroll must have the necessary space to accommodate the proposed salary deduction.

For yearly continuation of the approved salary deduction:

- The charitable organization must submit evidence to the district that it has a current 501(c)(3) classification with the Internal Revenue Service.

- The company or organization must have no fewer than five percent or 75200 district employees, whichever is less, enrolled for the salary deduction each year on the first Tuesday in November. If fewer than five percent or 75200 district employees, whichever is less, are enrolled for the salary deduction on that date, salary deductions for the plan or program will cease on ~~December~~ March 1.

-Should a cancelation of a salary deduction be necessary, the district will notify the company or organization and employees of the impending cancellation.

The salary deduction can be approved for another plan or program approved by the district's employee benefit committee.

- The employee benefits committee will meet twice a year to review and approve proposals from insurance companies for various insurance programs to be offered to district employees through salary deduction and to consider suggestions from employees on possible benefits reform.

~~-The committee will meet in April and November of each year.~~

- The specific dates, times and places for committee meetings will be determined by the committee chairperson and will be composed of members from the human resources office and from the finance office.

- ~~• The committee will be composed of 17 members, as follows:~~

~~-Permanent members will be the chief human resources officer, who will chair the committee, the chief financial officer, the chief of staff, and a representative from the State Insurance Commissioner's Office.~~

~~-The following members will serve two-year terms, on a staggered basis: one elementary principal; one secondary principal; one administrative employee; six teachers; and four classified employees.~~

~~-Members serving two-year terms will be appointed by the superintendent or his/her designee.~~

- The committee will base their initial approval to offer insurance programs to employees through salary deduction upon the following:

- The company or organization and the plan or program for which it wants to establish the salary deduction must meet the provisions of this policy.

- The insurance program has no organizational membership requirements that first must be met before an employee can enroll for the program.

- The company and the insurance program being proposed must meet all the applicable rules and regulations of the Internal Revenue Service and all the laws, rules and regulations of the state.

- There must be a minimum of five percent or 75200 district employees, whichever is less, initially enrolled for the salary deduction.

- The district's computer program for payroll must have the necessary space to accommodate the proposed salary deduction.

~~Once the committee approves offering an insurance program, the company offering the program must meet the following guideline for yearly continuation of the salary deduction: The company or organization must have no fewer than five percent or 75 district employees, whichever is less, enrolled for the salary deduction each year on the first Tuesday in November. If fewer than five percent or 75 district employees, whichever is less, are enrolled for the salary deduction on that date, salary deductions for the plan or program will cease on December 1.~~

Start-up and recurring cost fees for any salary deduction plan of the type described in items 3 and 4 will be assessed as follows:

In addition to meeting all the provisions of this policy and administrative rule, a company initiating a program using salary deduction to collect premiums for tax-sheltered annuities and plans or programs approved by the district's employee benefit committee (with the exception of programs administered by the federal and state governments) must pay to the district, in advance of starting the salary deduction, a start-up fee of ~~\$400800~~ and an annual cost fee of ~~\$200600~~, totaling ~~\$6001,400~~ for the initial year; and ~~\$200600~~ annually thereafter.

All companies using salary deduction to collect premiums for tax-sheltered annuities and plans or programs approved by the district's employee benefit committee (with the exception of programs administered by the federal or state governments) must pay to the district each year by December 1 a yearly cost fee of ~~\$200600~~.

Companies using salary deduction to collect premiums for tax-sheltered annuities at the time of the approval of the prior policy and administrative rule dated February 27, 1996 will not be required to pay the start-up fee for those tax-sheltered annuities, nor to have a minimum of ~~40200~~ district employees enrolled for the salary deduction; or companies using salary deduction to collect premiums for tax-sheltered annuities at the time of the approval of this policy and administrative rule will not be required to have a minimum of five percent or 200 district employees, whichever is less, but will be required to pay the start-up fee and recurring cost; however, if the company or one of its affiliates is approved to use salary deduction for other tax-sheltered annuities or plans and programs approved by the employee's benefit committee, it will be required to meet all the provisions of this policy and administrative rule.

The chief financial officer will, before October 1 of each year, review the established fees for start-up and recurring cost and adjust them as necessary.

Issued 2/27/96; Revised 00/00/21

Richland County School District One