

EMPLOYEE PAYROLL DEDUCTIONS

The School Board recognizes the right of its employees to have payroll deductions for tax shelter plans, insurance policies, United Way contributions, and other similar deductions.

PART I -- TAX SHELTERED PLANS

Section 403 (B) and Section 457 of the Federal Internal Revenue Code and M.S. 225 permit school districts to participate in tax shelter programs for the benefit of their employees. The individual employee is responsible for selecting the plan and submitting a payroll deduction request form to the Business Office. Since there are many plans and many companies, the School Board has established guidelines to prevent its costs from becoming excessive for providing this type of payroll deduction. The following guidelines govern the granting of approval for payroll deductions:

1. A 403(b) and 457 company must meet all of the requirements in Waseca Public Schools' written plan document. The vendor must sign a universal vendor agreement in order to receive transfers or exchanges.
2. All common law employees except student teachers are eligible to participate in the plan.
3. An employee may request this type of payroll deduction at any time during the year. They may also request a plan termination at any time during the year.
4. All new requests require a monthly allocation and disbursement of contributions.
5. The amount withheld from salary and paid for the purchase of the plan shall not exceed the limitations set by the Internal Revenue Commissioner.
6. The School Board requires a written request by the employee for the purchase of plans. These special forms are available in the Business Office and on the Business Services District webpage.

PART II -- OTHER PAYROLL DEDUCTIONS

1. The School Board will allow other types of payroll deductions other than tax shelter plans provided they meet the following criteria:
 - a. At least six employees must participate in the same type of deduction.
 - b. The Superintendent's approval is required.
 - c. The anniversary date will be only once per year and will allow changes and additions.
2. The company with which the employee purchases must agree to provide the following to the school district:
 - a. Name, address, and telephone number of agent,
 - b. Address to which the amounts withheld for the employee is to be sent,
 - c. Provide monthly statements of billings to the payroll clerk to be used for verification of information provided by employee.