

BOARD POLICY: DEFERRED COMPENSATION PLANS

4070

Page 1 of 3 pages

Section A – Authorization to Purchase Deferred Compensation Plans

1. The Board of Education of District #225 shall make deferred compensation plans [e.g. 403(b), 457(b)] meeting the requirements of the Internal Revenue Service available to the staff through payroll deductions; both fixed and variable plans may be offered.
2. The assistant superintendent for business, or designee, shall at least annually, submit for Board of Education approval, a list of qualified providers from which District employees may purchase deferred compensation plans.
3. The assistant superintendent for business, or designee, will act as the Board’s representative in matters pertaining to deferred compensation plans sold to District employees and maintain a list of the authorized providers which the Board has qualified to do business with District employees.
4. No company may be approved as an authorized provider by the Board of Education unless at least five employees have requested to contract for deferred compensation plan participation with that company, and that company has completed and signed the applicable “Investment Provider Service Agreement” form.
5. Any authorized provider may be disqualified from participation by the assistant superintendent for business (a) should, for a period of 12 months, no employee contract with that provider, or (b) for other good cause.
6. Failure on the part of any authorized provider and/or agent to comply with this policy will be sufficient grounds for disqualification.

Section B – Approval of Salary Reduction Agreements

All employees entering into a Salary Reduction Agreement in connection with a deferred compensation plan, must have on file in the District Business Office the applicable completed and signed “Glenbrook Salary Reduction Agreement” form before the election will become effective:

1. Employees who wish to use special “catch-up elections” to contribute more than the basic salary deferral for the year must provide a vendor, financial, tax or legal counsel form which shows the maximum exclusion allowance (MEA) calculation for the tax year.

Section C – Changes to Salary Reduction Agreements

1. Employees may change their Salary Reduction Agreement once every six months. Specifically, one change can be made from January through June, and one change can be made from July through December. Salary Reduction Agreements may be terminated at any time by the employee.

Section D – Contact Between Employees and Agents

1. Only providers determined to be qualified by the Board of Education may make printed deferred compensation plan literature available to District employees on campus. The literature may not contain any statement which indicates that the Board of Education or the administration endorses or otherwise recommends any provider or plan.
2. Once contacted by a District employee, an agent of the authorized provider may meet the employee at school to discuss policy provisions. An agent may also meet the employee at school to have papers signed. In either event, agents will not be allowed to remain on school premises to solicit business from other employees.
3. Employees' addresses, personal e-mail addresses and/or telephone numbers will not be provided to qualified provider agents.
4. Initial contact with the agent must be made by the employee or the assistant superintendent for business or designee.

Section E – Plan Management and Periodic Statements

The employee shall be responsible for directing the management of his or her individual plan, for requesting periodic statements from the provider and for verifying the accuracy of the statements.

To the fullest extent permitted by law, the Board of Education, its Board members and employees shall have no liability for any losses suffered by the employee that result (directly or indirectly) from his/her participation in the District's deferred compensation plans. The employee shall save, defend, indemnify, and otherwise hold the Board of Education, its Board members and employees harmless, to the fullest extent permitted by law, from any and all actions, claims, demands, losses, injuries, and damages whatsoever that may result (directly or indirectly) from his/her participation in the District's deferred compensation plans. The Board of Education, its Board members and employees have made no representation regarding the advisability, appropriateness or tax consequences of any employee's participation in the District's deferred compensation plans or employee's allocation to any provider which the District has qualified to do business with District employees.

Section F – Non-Endorsement of Service Providers

Qualification of providers shall be based upon compliance with deferred compensation plan regulations, as amended from time to time, and execution of the service provider's agreement. Such qualification shall not be deemed as an endorsement by the District of any provider or plan.

Approved: February 2, 1976 (Item #5676)
Revised: November 19, 1984
Revised: January 25, 1993
Revised: February 9, 1998
Revised: February 28, 2000
Revised: July 13, 2009
Revised: November 8, 2010
Revised: July 14, 2014