

Licking Heights Local School District

Bylaws & Policies

6520 - PAYROLL DEDUCTIONS

To the extent permitted by law and consistent with the specific provisions of any applicable negotiated agreement, the Board of Education authorizes deductions to be made from an employee's paycheck upon proper authorization on the appropriate form [for the following purposes:](#)

- [A. Federal and State income tax](#)
- [B. Social Security or retirement contribution](#)
- [C. Municipal income tax](#)
- [D. School district income tax](#)
- [E. School Employees Retirement System](#)
- [F. State Teachers Retirement System](#)

[To the extent permitted by law and in accordance with the procedures set forth below, the Board declares its willingness to purchase or procure tax-sheltered annuities for its employees who request that such annuities be purchased through payroll deduction. Specifically, employees may request in writing that the Board purchase or procure a tax-sheltered annuity for them in exchange for the employee taking a reduction in salary with respect to amounts earned after the effective date of such written notice – reductions in salary shall commence thirty \(30\) days after the Treasurer receives the employee's written notice. The Board shall use a corresponding amount to purchase the annuity for such employee from any licensed agent, broker or company authorized to transact the business as specified in law in accordance with Section 403\(b\) of the Internal Revenue Code. However, it shall be clearly understood that the Board's only function shall be the deduction and remittance of employee funds.](#)

[In any case where the employee designates the agent, broker or company through whom the Board shall arrange for the placement or purchase of the tax-sheltered annuity, the agent, broker or company must execute a reasonable service agreement, an information sharing agreement, and / or other similar agreements as determined at the discretion of the District. The service agreement shall protect the District from any liability attendant to procuring the annuity \(i.e., a "hold harmless"\) in accordance with provisions of the Internal Revenue Code and any other applicable Federal or State law.](#)

[The agent, broker or company must be designated by a number of employees equal to at least one percent \(1%\) of the Board's full-time employees or at least five \(5\) employees, whichever is greater \(except under no circumstances shall the agent, broker or company need to be designated by more than fifty \(50\) employees\).](#)

[If the School district is required to provide the IRS an Audit of Annuity Accounts Report and there are fewer than five \(5\) employees who have a contract with the agent, broker or company placing or purchasing the tax-sheltered annuity, the employees selecting that agent, broker or company shall split the annual fee for preparation of the report up to \\$50 each.](#)

In cases when an employee is absent from duty and there is no sick leave applicable, or when the absence is unauthorized, the salary deduction for each of absence will be based on the employee's current salary divided by the number of work days required in the official school calendar for each job classification.

R.C. 9.90, 9.91

Adopted 1/05

Revised (DATE)