

TAX-DEFERRED SAVINGS PLANS

Thompson School District offers three employee tax-deferred savings plans (TSA): the PERA 401(k) plan, the PERA 457 plan and vendor-provided Section 403(b) annuity contracts and/or custodial accounts. Employees may choose to participate in either the 401(k) plan or the 403(b) plan. An employee can also participate in a 457 plan by itself or in combination with a 401(k) plan or a 403(b) plan. All 401(k), 457 and 403 (b) plans must comply with IRS rules and regulations as well as the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).

403(b) annuity contracts and/or custodial accounts are available under the following conditions:

1. Employees may utilize any vendors on the district approved list. All vendors offering 403(b) annuities and/or custodial accounts within the district must comply with all district requirements for TSA vendors. Vendors must provide a signed Thompson School District service provider agreement and maintain commitments of at least 25 Thompson School District employees. New vendors will be added to the approved list when 25 or more district employees submit a Thompson School District salary reduction agreement to the district payroll office. Vendors will be removed from the approved list when the number of district clients drops below 25 employees, if at the end of a three month grace period, the vendor is not in compliance with the 25 employee requirement; when a vendor fails to provide a signed district service provider agreement; or when a vendor fails to cooperate with requests for assistance or information from the district. Vendors on the approved list before May 1, 2003 will be governed by the Thompson School District regulations for levels of participation in affect for DKB-R adopted November 1, 2000.
2. Employees may select only one 403(b) provider for salary reduction. An employee may not concurrently participate in the 403(b) plan with more than one 403(b) provider.
3. All employees are eligible to enroll in the district sponsored 403(b) program at any time during the calendar year.
4. To enroll in a 403(b) plan, the employee must submit the Thompson School District salary reduction agreement to the payroll office.
5. Any change in deductions made by an employee must be in the payroll office by the fifteenth of the month to be effective for that month.
6. Employees will be allowed to apply contributions in accordance with IRS Regulations and Board policy toward any Section 403(b) of the Internal Revenue Service Code contract for the year. The only "catch-up" provision allowed by the district is the Age 50+ provision allowed under the EGTRAA of 2001.
7. All 403(b) plan vendors and/or district employee participants may be assessed an administrative fee by the district at the beginning of the calendar year. The fee will be set by the superintendent on an annual basis to offset the cost of monitoring and testing eligibility for employees. If the fee is not paid by March 31, the vendor will be removed as a district approved vendor on June 30.
8. Contributions can only be made from salary. Salary reductions will only be made as a percentage of salary. Contributions are not allowed from accrued leave buy-outs or other amounts that may be payable to an employee upon retirement or termination of employment.

9. Employees participating in the Plan must (a) inform the district of any other salary reduction plans in which they participate, and (b) provide the district with such information as may be needed to monitor the Plan and assure compliance with all relevant laws, federal and state regulations, and Board policy and regulations. The employee agrees, upon request of the district, to instruct his or her plan vendor to release any information or report that is reasonably required by the district for purposes of compliance with Section 403(b) of the Internal Revenue Code. An employee's failure to comply with the requirements set forth in this paragraph may result in the employee being ineligible for further participation in the Plan.
10. The district does not endorse any company, vendor, fund group, or investment instrument, nor has the district undertaken any investigations regarding the soundness of any company, vendor, fund group, or investment offered. Investments in Section 403(b) of the Internal Revenue Code and any subsequent IRS approved plans available to district employees are made at the sole risk of the employee and the district assumes no liability of fiduciary responsibility.
11. The district has full authority and complete discretion to construe, interpret and apply any provision of these regulations, to determine the eligibility of any employee or vendor to participate in the Plan, to determine the allowable amount of salary reduction contributions, and to determine any issue of compliance with the requirements of Section 403(b) of the Internal Revenue Code. The district's determination of any issue that may arise under these regulations or the Plan shall be final and binding on the employee and/or the employee's vendor.

These regulations and/or the Plan may be amended or modified in whole or in part or terminated by action of the district at any time in a manner which is consistent with the requirements of Section 403(b) of the Internal Revenue Code and the Economic Growth and Tax Relief Reconciliation Act of 2001.

The PERA 401(k) plan is available under the following conditions:

1. Employees may utilize the PERA 401(k) plan as an approved provider for tax deferred saving. The employee must submit the 401(k) plan contribution authorization form to the payroll office by the fifteenth of the month to be effective for the current month payroll. Salary reductions will only be made by the percentage method. An employee may cease salary reductions into the 401(k) plan at any time by giving written notice to the payroll office no later than the fifteenth of the month to be effective in the current pay period. Employees participating in the Plan must (a) inform the district of any other salary reduction plan in which they participate, and (b) provide the district with such information as may be needed to monitor the Plan and assure compliance with all relevant laws, federal and state regulations, and Board policy and regulations. The employee agrees, upon request of the district, to instruct his or her planned vendor to release any information or report that is reasonably required by the district for purposes of compliance with the Internal Revenue Code. An employee's failure to comply with the requirements set forth in this paragraph may result in the employee being ineligible for further participation in the Plan.
2. The 401(k) plan will governed by the rules and regulations as prescribed by PERA. Maximum contributions may be made to the 401(k) plan in accordance with IRS Regulations and EFTRRA guidelines.
3. The district does not endorse any company, vendor, fund group, or investment instrument, nor has the district undertaken any investigations regarding the soundness of any company, vendor, fund group, or investment offered. Investments in Section 401(k) of the Internal

Revenue Code, and any subsequent IRS approved plans available to district employees are made at the sole risk of the employee and the district assumes no liability of fiduciary responsibility.

4. The district has full authority and complete discretion to construe, interpret and apply any provision of these regulations, to determine the eligibility of any employee or vendor to participate in the Plan, to determine the allowable amount of salary reduction contributions, and to determine any issue of compliance with the requirements of Section 401(k) of the Internal Revenue Code. The district's determination of any issue that may arise under these regulations or the Plan shall be final and binding on the employee and/or the employee's vendor.
5. Contributions can only be made from salary. Salary reductions will only be made as a percentage of salary. Contributions are not allowed from accrued leave buy-outs or other amounts that may be payable to an employee upon retirement or termination of employment.
6. Any change in deductions made by an employee must be in the payroll office by the fifteenth of the month to be effective for that month.

These regulations and/or the Plan may be amended or modified in whole or in part or terminated by action of the district at any time in a manner which is consistent with the requirements of Section 401(k) of the Internal Revenue Code.

The PERAPlus 457 plan is available under the following conditions:

1. Employees may utilize the PERAPlus 457 plan as an approved provider for tax deferred saving. The employee must enroll via the COPERA website by 2:00 P.M. (MST) on the twenty-fifth of the month to be effective for the following month payroll. Salary reductions will only be made by the percentage or a flat dollar amount methods. An employee may cease salary reductions into the 457 plan via the COPERA website no later than 2:00 P.M. (MST) on the twenty-fifth of the month to be effective for the following month payroll. Employees participating in the Plan must (a) inform the district of any other salary reduction plan in which they participate, and (b) provide the district with such information as may be needed to monitor the Plan and assure compliance with all relevant laws, federal and state regulations, and Board policy and regulations. The employee agrees, upon request of the district, to instruct his or her planned vendor to release any information or report that is reasonably required by the district for purposes of compliance with the Internal Revenue Code. An employee's failure to comply with the requirements set forth in this paragraph may result in the employee being ineligible for further participation in the Plan.
2. The 457 plan will be governed by the rules and regulations as prescribed by PERA. Maximum contributions may be made to the 457 plan in accordance with IRS Regulations and EFTRRA guidelines.
3. The district does not endorse any company, vendor, fund group, or investment instrument, nor has the district undertaken any investigations regarding the soundness of any company, vendor, fund group, or investment offered. Investments in Section 457 of the Internal Revenue Code, and any subsequent IRS approved plans available to district employees are made at the sole risk of the employee and the district assumes no liability of fiduciary responsibility.
4. The district has full authority and complete discretion to construe, interpret and apply any

provision of these regulations, to determine the eligibility of any employee or vendor to participate in the Plan, to determine the allowable amount of salary reduction contributions, and to determine any issue of compliance with the requirements of Section 457 of the Internal Revenue Code. The district's determination of any issue that may arise under these regulations or the Plan shall be final and binding on the employee and/or the employee's vendor.

5. Contributions can only be made from salary. Salary reductions will only be made as a percentage of salary or flat dollar amount. Contributions are not allowed from accrued leave buy-outs or other amounts that may be payable to an employee upon retirement or termination of employment.
6. Any change in deductions must be completed by the employee via the COPERA website no later than 2:00 P.M. (MST) on the twenty-fifth of the month to be effective for the following month payroll.

These regulations and/or the Plan may be amended or modified in whole or in part or terminated by action of the district at any time in a manner which is consistent with the requirements of Section 457 of the Internal Revenue Code.

Adopted November 1, 2000
Revised May 7, 2003
Revised May 21, 2014

Contract ref: TEA Agreement, Article 5 - Association Rights, Section 5-1, Payroll Deductions