

**Linn Benton Lincoln
Education Service District**

Code: **DLB**
Adopted: 7/8/98
Revised: 12/05
Readopted: 5/09/07
Orig. Code(s): 3530.1-4, 3535, 3540.1,
4530.1-4530.4, 4540.1

Salary Deductions

1. Social Security

All employees shall be placed under Social Security in accordance with rules and regulation of the federal government (Federal Insurance Contribution Act).

2. Federal Taxes and State Taxes

All employees shall be subject to payroll deductions in accordance with federal and state regulations where applicable.

3. Public Employees Retirement System (PERS)

All employees shall be placed under the Oregon State Public Employees Retirement Act in accordance with its rules and regulations. PERS payments shall be made in accordance with the district's collective bargaining agreement.

Voluntary Salary Deductions

1. Tax Sheltered Annuity Program

The Board sponsors a tax sheltered program for the benefit of its employees. The administration and operation of the TSA Program, which is intended to qualify for preferential tax treatment under §403 (b) of the Internal Revenue Code of 1986, as amended, is governed by Board policy and administrative procedures.

a. The District

The sole and exclusive responsibility of the ESD with respect to the TSA Program is limited to: (a) collecting salary deferrals as required by a valid Salary Reduction Agreement and remitting such salary reductions to eligible providers in accordance with each employee's election; (b) maintain a list of eligible providers; and © maintain ESD forms required under this policy. An employee may change the amount of the salary reduction two times per year.

b. Eligible Providers

To be considered an eligible provider, each vendor must be selected by at least five employees of the ESD. The vendor must agree in writing to their responsibilities under the Board's policy and to indemnify and hold the ESD harmless with respect to any liability.

The superintendent will develop administrative procedures as necessary to implement the requirements of this policy.

END OF POLICY

Legal Reference(s):

[ORS 243.650\(10\), \(16\)](#)

[ORS 243.666](#)

[ORS 334.125\(5\)](#)

[ORS 652.110](#)

[ORS 652.120](#)

[ORS 652.610](#)

I.R.C. §403 (2006).