

TAX DEFERRED ANNUITY PROCEDURES

Interested staff may elect to defer a portion of their salary or wages to pay for an existing qualified tax-deferred annuity program or a new program when five (5) or more staff members request the NWESD 189 to enter into a company licensed to do business in the State of Washington, providing product compliance with IRS code is documented through a satisfactory contract with the NWESD 189. The following procedures are established for this purpose:

- 1) A staff member may request a deferred tax annuity authorization form from the NWESD 189 business office. The interested staff member shall complete the authorization form (5314-F1) indicating the name of the approved qualified company offering the deferred annuity program, the name of the Washington-licensed agent, the amount of wages or salary to be deferred in equal installments for the balance of the year, a completed maximum exclusion allowance form from the agent, and a signed statement that the NWESD 189 shall be held harmless for any actions occurring after the authorized funds have been disbursed to the company designated by the applicant.
- 2) For new program providers, when five (5) or more staff members have submitted authorization forms to the business office from the same company, the Assistant Superintendent for Finance and Compliance will contact the named Washington-licensed agent to verify IRS code compliance as confirmed by a contract with the NWESD 189 for the purpose of establishing a tax-deferred annuity program for the requesting staff members. The agent shall provide evidence that he/she is a licensed agent in the State of Washington and the represented company has been authorized to provide annuity programs in the State of Washington to Educational Service Districts. The agent acting in behalf of the company shall submit a statement which holds the NWESD 189 harmless for any actions occurring after the authorized funds have been disbursed to the agent. This may be accomplished on Form 5314-F1, or other equivalent document.
- 3) The authorization will remain in force until modified by the staff member so long as he/she is an employee of the NWESD 189. An employee may modify his/her salary reduction agreement up to two (2) times during a tax year by providing a revised, signed salary reduction agreement.
- 4) Licensed agents may not contact staff members during working hours. Promotional literature may not be distributed through NWESD 189 mail channels unless such is authorized in advance by the Superintendent.

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