

Section 803.07

Tax Deferred Annuity Programs

Employees of the University may elect to participate in various tax deferred annuity programs wherein they invest a portion of their monthly salary to provide a current tax benefit. Income invested in such programs is not subject to taxation until it is withdrawn at a later date.

The University does not approve or disapprove any plan or underwriting company, as proper investigation of the program is the employee's responsibility.

1. Enrollment

Employees should be certain to have the required forms in to the Office of Finance and Administration by the 15th of the month so the necessary payroll adjustments can be made.

2. Solicitations

The overall policy on solicitations also applies to solicitations for tax sheltered annuity programs. The authorized agent of the company must obtain approval for on-campus solicitation in the Office of Finance and Administration. Such solicitation must always be through prior appointment and employees should notify the Department of Human Resources should this policy be violated.

3. Annuities Having Life Insurance

Although the University discourages annuity programs from having life insurance, such will be allowed if the company will provide the amount of such insurance and the cost in the Amendment of Salary Agreement. The cost of such premiums must also be reported to the employee as income by the company, as the University will reduce the taxable income on the Form W-2 by full amount of the agreement.

4. Compliance with IRS Codes

Employees and participating companies are required to comply with all I.R.S. requirements in the establishment of and participation in a 403(b) program(s). The Department Human Resources will provide general guidelines if assistance is needed in this area.

Pension reform legislation enacted in 1996 places the non-compliance with I.R.S. codes on the individual participant and the University is not responsible for errors in calculations, etc. by the agent or participant.

5. Approved Providers

Generally, a provider must contact the Human Resources Office to present their 403(b) program and describe the services provided to employees prior to being approved for solicitation. Once approved, the provider must then secure five participants prior to any contracts being signed and any remittal via the University payroll authorized. For a list of providers click on [Tax Deferred Annuities](#)