

**400.11L DEFERRED COMPENSATION PLAN 457/FLEXABLE SPENDING PAYROLL PLAN/PARTICIPATION IN 403(b) PROGRAM**

- A. The School Board of District #553, New York Mills, MN, in order to provide retirement annuity contracts for certain of its employees as portions of their compensations, authorizes and approves the purchase by the Board of retirement annuity contracts issued by \_\_\_\_\_ Company, the amount of each to be determined by agreed premiums not exceeding the amount of the employee's allowance as determined by the formula in Section 403(b) of the Internal Revenue Code.
- B. It is the intention of the Board that these annuity contracts will qualify under the terms of section 403(b) of the Internal Revenue Code (or any section that may replace it) and that the premiums paid by the Board for such annuity contracts will not be considered as income paid to the employees concerned.
- C. It is further the intention of the Board that the purchasing of each of such annuity contracts shall continue in full effect until the employee concerned retires or his or her services with the Board are terminated or until he or she dies, whichever event occurs first. However, all rights under the said annuity contract shall be exercisable by the employee concerned.
- D. The said Board hereby authorizes the Business Manager to act on its behalf in respect to these annuity contracts and to formulate rules and procedures for the purchase and administration of them.
- E. Enrollment and salary reduction changes will be in accordance with current IRS rules and regulations.
- F. The school district has deferred compensation plans in accordance with any federal and state laws. Also, the district may have 457 plans available as part of the bargaining process. Annual enrollment dates will only be effective between July 1st and September 15th of each year.
- G. In accordance with Federal and State laws, the School District hereby authorizes the establishment of an IRS Section 125, Employee Flexible Spending Benefit Plan.