

Board Policy Document

STAFF PERSONNEL

Series 400

Policy Title: Annuities

Code Number: AR402.7

AUTHORIZATION TO PURCHASE ANNUITY CONTRACT OR CUSTODIAL ACCOUNT

TO: SIOUX CITY COMMUNITY School District (the "District")
 SIOUX CITY, Iowa

In order to comply with the provision of section 403(b) of the Internal Revenue Code of 1986, as amended (the "Code"), Iowa Code sections 294.16 and 509A.12 and related laws and regulations with respect to the purchase of an annuity contract or custodial account, I hereby authorize and direct the District to reduce my biweekly/monthly contract salary by the amount of _____ Dollars (\$_____) or by _____ percent and to apply such amount to the purchase of an annuity contract for me to be issued by the _____ (the "Company") in my name as owner or, alternatively, to pay such amount to a custodial account established by me with _____ (the "Custodian") under Section 403(b)(7) of the Code, as indicated by me below. This biweekly/monthly deduction will become effective with the biweekly/monthly payroll check dated _____. I understand that, as a general rule, my annual salary reduction contributions under this Authorization must not exceed the amount of \$10,000.

I hereby direct the District (check one): ____ (1) to purchase an annuity contract with my contributions; or ____ (2) to pay my contributions to a custodial account.

I acknowledge that I am responsible for determining the tax effect of this Authorization; that the District has no responsibility for calculating any contribution limitation imposed by section 403(b), section 415 or section 402(g) of the Code; that I am responsible for computing the amount of any contribution limitation; and that I will obtain any assistance or information necessary to

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compute my contribution limitation from the Company or Custodial or from such other sources (other than the District) as I may deem necessary in order to accurately compute any contribution limitation. Also, I will obtain from the Company the documentation of my annuity or custodial account required by section 403(b) of the Code, including the requirement that my elective contributions shall not exceed the limitation under Section 402(g) of the Code, and agree that the District is not responsible for the accuracy of any document.

I intend that the purchase and funding of an annuity or custodial account, as the case may be, shall be in compliance with all provision of section 403(b) of the Code; provided, however, that if the annuity or custodial account fails to comply with the provisions of section 403(b) of the Code or if all or any portion of the annual cost thereof shall not be excludable from my taxable income, I agree to indemnify and hold harmless the District against any and all claims, tax liabilities, penalties, damages, fees, interest or expenses incurred by me or incurred by or asserted against the District by the Internal Revenue Service or any other federal, state or local authority. I understand that my annual salary reduction contributions to my annuity contract or custodial account shall be subject to any social security and/or Iowa Public Employees' Retirement System charges.

I acknowledge and agree that this Authorization shall apply only to amounts of salary available to me after the effective date hereof and that I may not make more than ____ Authorization(s) with the District during any taxable (generally, a "calendar") year, although I may terminate this Authorization with respect to amounts not yet available. I release all rights, present or future, to receive such amounts of salary in any other form, except that all or any part hereof for which I have already rendered shall (1) be paid to me upon such termination by reason other than death or (2) be paid upon my death while in the employment of the District to the beneficiary of an annuity contract or custodial account purchased hereunder, or to the legal representative of my estate if no such annuity contract or custodial account is then in force.

Dated and signed this ____ day of _____, 20__.

(Employee's Name [print]) (Signature of Employee) (Employee Number)

As further consideration of the performance of the employee executing this authorization the District agrees to purchase the annuity contract or custodial account, as the case may be, specified in this authorization.

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Dated and signed this ____ day of _____, 20__

SIOUX CITY COMMUNITY School District

By: _____
BOARD PRESIDENT