

6520 PAYROLL DEDUCTIONS

The Board of Education shall, in accordance with law or employee authorization, make deductions from an employee's paycheck and remit the amounts deducted to the agent designated by the employee.

Deductions will routinely be made as required for Federal income tax, social security and medicare; New Jersey income tax, unemployment assistance, and other miscellaneous taxes; and by the New Jersey Division of Pensions.

Deductions may also be made, provided they have been duly authorized by the employee in writing, for contributions on the employee's behalf for:

1. The payment of premiums for group life, accidental death or dismemberment, hospitalization, medical, surgical, major medical, health and accident, and legal insurance plans, N.J.S.A. 18A:16-13;
2. Tax sheltered annuities or custodial accounts, N.J.S.A. 18A:66-127;
3. Payments to a credit union, N.J.S.A. 40A:19-17;
4. Bona fide organizational dues, N.J.S.A. 52:14-15.9e.

Contributions shall be made in accordance with law and as soon as is reasonably possible after the funds have been deducted from an employee's salary. No contribution shall be made on behalf of an employee until the amount contributed has been deducted from the employee's salary.

Tax Deferred Annuities

The Board of Education shall make available to all employees the opportunity to participate in benefits under Section 403(b) (1) (7) of the Internal Revenue code of 1954 as amended, Section 457 of the Internal Revenue Code of 1986 and other pertinent present or future Federal laws. Such annuities shall be available for purchase by the Board of Education for any legally eligible employee electing to participate. Said availability shall be in accordance with guidelines and operating rules and regulations approved by the Board of Education. Payroll deductions for the purchase of tax deferred annuities for the employee shall be made under the following conditions.

- A. The employee certified in writing, using the appropriate salary reduction agreement, to the School Business Administrator/Board Administrator his/her authorization for the appropriate payroll deduction required of the plan.



POLICY

FLORHAM PARK BOARD OF EDUCATION

FINANCES
6520/page 2 of 2
Payroll Deductions

- B. The Florham Park School District Board of Education assumes no responsibility for any of the tax deferred annuity programs in effect in the district. The vendor shall hold harmless and indemnify the Board of Education, the school district, their officers and employees, from every claim and demand including those based upon negligence of the employer, their officers and employees, which may be made by reason of the purchase of annuities by the employer.

Annuity and Mutual Fund Plans existent on the date of adoption of this policy shall continue to be in effect as long as employees of the district are enrolled.

An employee who wishes to pay into a tax sheltered annuity or mutual fund offered by a firm not approved by this Board for payroll deductions must make his/her payment individually.

No Board employee shall withhold or pay to another or purchase or have assigned, other than by court order, any compensation for the services rendered by an employee of this district.

N.J.S.A. 18A:16-9; 18A:66-19; 18A:66-30; 18A:66-78; 18A:66-128
N.J.S.A. 43:3C-9
N.J.S.A. 52:14-15.9; 52:18A-107 et seq.
N.J.S.A. 54:8A-9
N.J.A.C. 6A:23-2.8; 6A:23-2.10

Adopted: 23 May 2016

