



EL PASO COMMUNITY COLLEGE PROCEDURE

For information, contact Institutional
Effectiveness: (915) 831-6740

CKC-1 Tax Sheltered Annuity Program

APPROVED: November 21, 1985 **REVISED:** September 1, 1995
Year of last review: 2021
AUTHORIZING BOARD POLICY: CKC

Classification: Institutional
Vice President or Associate Vice President: Vice President of Financial and Administrative Operations
Designated Contact: Executive Director of Human Resources

OBJECTIVE: To provide for greater uniformity of procedures for administration of retirement annuity available to El Paso County Community College District (EPCCCD) employees through the Tax-Sheltered Annuity Program.

PROCEDURE:

I. Administration Responsibility

The Office of the Vice President of Financial and Administrative Operations and the Department of Human Resources are responsible for establishing the rules and regulations for administration of the District's retirement annuity programs within the terms, conditions, and requirements of the appropriate state laws, regulations, and acts; and the rules and regulations of the EPCCCD Board of Trustees.

II. TSA Eligibility Standards

Any employee of the District is eligible to purchase a tax-sheltered annuity as authorized by Senate Bill No. 279, 61st Legislature, Regular Session, 1969, and within the limits and provisions of Sections 403(b) and 415 of the Internal Revenue Code of 1954, as amended.

III. Effective Date and Enrollment Procedures for TSA Participation

- A. The IRS prohibits an Individual from making more than one 403(b) salary reduction agreement with the same employer during a calendar year. An employee may start participation in a supplemental Tax-Sheltered Annuity Program once during a calendar year and may not increase or decrease the amount of participation in any such year. Furthermore, after stopping TSA participation in any such year, the individual cannot start participating until the beginning of the next calendar year.
- B. Employees may elect to start participation in the TSA Program on a reduction basis with respect to future earnings effective the first day of any month. All required documents must be submitted to the Human Resources Department by the first of the month that their TSA is to commence.

IV. Change in TSA Carriers

In accordance with IRS Publication 571 instructions, changing carriers does not constitute the making of a new agreement for a calendar year. An employee may change TSA carriers only twice per calendar year.

V. Contributions

- A. Contributions to a TSA are subject to the IRS "maximum exclusion allowance" established by Sections 403(b) and 415 of the Internal Revenue Code.
- B. Calculation of the maximum exclusion allowance is the sole responsibility of the employee and soliciting agent or company.
- C. The District requests a copy of the calculation with the participant's application and salary reduction agreement.

VI. Capital transfers

A capital transfer of funds from one TSA carrier to another authorized carrier must be handled through the District Human Resources Department. The funds are transferred directly to the receiving carrier.

VII. Company Eligibility

Organizations seeking to be included on the District's TSA vendor list must meet, and certify compliance with, specified conditions established by the District.

VIII. TSA Solicitation Rules and Regulations

Each TSA company must abide by the rules and regulations limiting solicitation on campus designed to prevent interference with an employee's assigned duties and responsibilities.