

Tax Sheltered Investment Programs  
Life and Health Insurance Programs

Board Policy: A-20  
Adopted: June 14, 1993

I. General Policy Statement

The Board of Education recognizes the financial benefit to employees participating in tax sheltered investment and supplementary life and health insurance programs. The Board encourages employee participation and authorizes the service of such programs in accordance with procedures and regulations set forth in this policy.

II. Regulations and Procedures

- A. The Board shall annually appoint an Employee Benefits Committee. The committee shall include one or more Board members, the Business Manager, one principal recommended by the superintendent, two teachers recommended by the superintendent and two office/support personnel recommended by the superintendent.
- B. The Business Manager shall serve as Committee Chairperson. The chairperson's duties shall include:
1. reviewing initial presentations from new companies
  2. scheduling committee meetings
  3. informing the superintendent of committee recommendations
  4. implementing approved programs in payroll procedures
- C. The Employee Benefits Committee shall have responsibility for reviewing and recommending new investment and insurance programs to be serviced by school system personnel. Company representatives shall be required to provide information for consideration as follows:
1. Investment program proposals must clearly state all costs to the employee including initial enrollment charges, monthly service fees, and surrender or cancellation fees. The proposal shall also state the financial rating of the company underwriting the proposal as certified by an independent analyst of the insurance industry (A.M. Best Company or equal). The minimum acceptable rating is A (Excellent).

2. Life and health supplementary insurance proposals must clearly state coverage provided, service fees, and other information as may be required for Committee evaluation.
- D. Finance office personnel shall be assigned responsibility for processing payroll deductions and completing reports required to service investment programs.
  - E. Currently approved annuity/investment programs shall continue to be serviced unless all participants withdraw from a program.
  - F. To qualify for program service through payroll deduction, new investment programs must enroll a minimum of five employees.
  - G. All investment programs must have approval and sales representatives must be licensed by the North Carolina Department of Insurance.
  - H. Life and health insurance programs currently serviced through payroll deduction will be continued unless participation decreases below ten members. New life and health policies will only be serviced through payroll deduction by recommendation of the Employee Benefits Committee based upon certified cost savings to employees and time available to Finance Office personnel to service such policies.