

403 (B) Tax Sheltered Annuities Pension Act changes

For Years beginning after Dec 31, 2008

- (1/1/2009) for Calendar year taxpayers

Control and responsibility shifted to Employer

- Requirement for Common Remitter
 - Recommended engage Third Party Administrator TPA
- Universal eligibility/ availability rules
- Insure all qualification requirements met
- Annual limitations (Employer & Employee contributions)
 - Correction of excess contributions
- Requirement for:
 - "WRITTEN DOCUMENTATION OF DISTRICTS 403(B) PLAN"
- Restrict Employees rights to move accounts to vendors not names in plan. (some grandfathering of current accounts)
- Annual Notice of Eligibility Requirements
 - EMPLOYERS MUST PROACTIVELY INFORM ALL EMPLOYEES OF THEIR AVAILABILITY TO PARTICIPATE IN 403(B) TSA program
- Employers must deposit employee salary reduction within 15 DAYS.

GASB 45

Reporting of Post Employment Benefits

Beginning in 2008-2009 GASB 45 requires accruing POST Employment Benefit Liability as incurred not as paid.

Within audited financial statements.

Although not required is encouraged to also fund the Liability, non-funding may impact credit rating and borrowing ability

The District will need to engage an Actuary to Properly calculate the accrual.

