



Angelo State University
Operating Policy and Procedure

OP 52.45: Tax Sheltered Annuity/Deferred Compensation Plan

DATE: April 19, 2018

PURPOSE: The purpose of this Operating Policy and/or Procedure (OP) is to establish the university's policy on tax sheltered annuities and deferred compensation plans.

REVIEW: This OP will be reviewed in April every three years, or as needed, by the director of human resources with recommended revisions forwarded through the vice president for finance and administration to the president by May 15th of the same year.

POLICY/PROCEDURE

1. Tax Sheltered Annuities

Benefit eligible regular employees of the university may purchase tax-exempt annuities with a portion of their salaries. See OP 52.09 Definitions of Employee Categories for clarification of employee types. The tax-sheltered feature defers payment of income tax until such time as the employee begins receiving payments from his/her annuity. Employees who wish to participate in the program must contact the Office of Human Resources to request a determination of allowable contributions prior to enrolling in the program.

Tax-Sheltered Annuity Program carriers must meet guidelines established by the university before they may be added to the list of companies approved to solicit business at the university. Employees may enroll during any month with the effective date to be the first day of the following month.

Employees interested in the Tax-Sheltered Annuity Program should contact the Office of Human Resources for additional information and a current list of all authorized carriers.

2. Deferred Compensation Plan

The State of Texas Deferred Compensation Program allows benefits eligible regular employees (See OP 52.09) to withhold a portion of their earnings, thereby reducing current taxable income. Companies must be selected from a list approved by the State of Texas Comptroller. Employees may enroll during any month with the effective date to be the first day of the following month.

Employees desiring to take advantage of this benefit should contact the Office of Human Resources.

Employees may elect to participate in a tax sheltered annuity and deferred compensation plan concurrently.