

Williamson County Board of Education



Adopted Date:
2/16/83
Editorial 5/27/14

3.603

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1 THIS 403(b) PROGRAM is hereby adopted by the Williamson County Board of Education hereinafter call the
2 "Employer", pursuant to Section 1 of Chapter 44 of the State of Tennessee Public Acts of 1965.

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4 I. DEFINITIONS

- 5 (a) "Code" means the Internal Revenue Code of the 1954 (as amended) of the United
6 States of America.
7 (b) "403(b) PLAN" means a plan, contract or account that meets the requirements of
8 Code section 403(b).
9 (c) "Life Insurance Company Contract" means a contract as defined in Article VI hereof.
10 (d) "Participant" means any eligible employee of the employer who elects to participate
11 in this 403(b) PROGRAM in the manner provided in Article IV.
12 (e) "Includible Compensation" means the compensation of a participant as defined in
13 Code section 403(b)(3).
14 (f) "Years of Service" means the years of service of a participant as defined in Code
15 section 403(b)(4).
16 (g) "NonTransferability" means the restrictions required by Code section 401(g).
17 (h) "Eligible Employee" means an employee as defined in Article IV hereof.

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19 II. PURPOSE

- 20 (a) The purpose of the 403(b) PROGRAM is to make available to its eligible employees
21 the provisions of Code section 403(b).
22 (b) It is not the purpose of the Employer, by the adoption of this 403(b) PROGRAM, to
23 recommend its use to or by an individual employee. The use of this 403(b)
24 PROGRAM and the establishment of a 403(b) PLAN under it is left to the discretion
25 of each individual employee.
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27 III. ADMINISTRATION

- 28 (a) The Williamson County Board of Education authorizes the Superintendent of
29 Williamson County Schools or his designated representatives to act on its behalf in
30 respect to the administration of this 403(b) PROGRAM and designates such person
31 to be the Administrator of this program.
32 (b) The Administrator shall have the authority to approve the life insurance company
33 contracts described in Article VI(a).
34 (c) The Administrator shall have the authority to establish such procedures as shall be
35 necessary or desirable to effect the proper administration of this 403(b) PROGRAM.
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37 IV. PARTICIPATION

- 38 (a) For purposes of this 403(b) PROGRAM an eligible employee is any regular
39 employee of the Williamson County Board of Education.
40 (b) Any eligible employee of the Employer may elect to become a Participant in this
41 403(b) PROGRAM by making an amendment to his or her employment agreement.
42 An example of such amendment is appended hereto and forms a part of this 403(b)
43 program.
44 (c) Such election shall be effective from the first of the calendar month next following
45 execution of such amendment and shall continue to be effective until revised or
46 terminated by a further amendment to the employment agreement or by a
47 termination of the 403(b) PROGRAM as provided in Article IX.
48 (d) A participant may revise such amendment from time to time but not more frequently
49 than once in a 12-month period.
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- 1 V. CONTRIBUTIONS
- 2 (a) The Employer shall contribute to a 403(b) PLAN on behalf of each Participant such
- 3 amount, in periodical installments, as the Participant may elect, but not in excess of
- 4 his or her maximum permissible contribution. Such maximum permissible
- 5 contribution shall be the lesser or the Participant's exclusion allowance as
- 6 determined by (e) below or the amount of the defined contribution limit as
- 7 determined by (g) below.
- 8 (b) Contributions by the Employer with respect to each Participant shall be derived from
- 9 a reduction in his or her compensation otherwise payable under the Participant's
- 10 employment agreement, the amount of such reduction being that set forth in the
- 11 amendment described in Article IV.
- 12 (c) Such reduction shall be with respect to only those services to be rendered to the
- 13 Employer by the Participant on and after the effective date of such amendment.
- 14 (d) The amount of such reduction may be changed from time to time by revising the
- 15 amendment to a Participant's employment agreement.
- 16 (e) A Participant's "exclusion allowance" shall, for any taxable year of the Participant, be
- 17 an amount equal to the excess if any of
- 18 (1) The amount determined by multiplying
- 19 (i) 20 percent of such Participant's includible compensation in
- 20 respect to such taxable year, by
- 21 (ii) the total number of years of service of the Participant as of the close
- 22 of such taxable year;
- 23 (2) The aggregate of the amounts which have been contributed by the
- 24 Employer for "annuity contracts" for such Participant and which were
- 25 excludable from gross income of the Participant for all taxable years
- 26 ending prior to the taxable year for which the exclusion allowance is being
- 27 determined.
- 28 (f) "Annuity contracts" as used in Article V(e) mean and include and 403(b) PLAN, any
- 29 pension plan qualified under Code section 401(a) or 403(a) and any retirement
- 30 system maintained by a state or any agency, subdivision or instrumentality of the
- 31 State.
- 32 (g) A Participant's "Defined contribution limit" shall, for any taxable year of the
- 33 Participant, be an amount not to exceed the limitations set forth in Section 415(c) of
- 34 the Internal Revenue Code.
- 35 (h) If, with respect to any taxable year of a Participant, this 403(b) PROGRAM applies to
- 36 two or more 403(b) PLANS shall be treated as on 403(b) PLAN for purposes of
- 37 computing the maximum permissible contribution by the Employer on behalf of such
- 38 Participant.
- 39
- 40 VI. 403(b) PLANS
- 41 (a) All contributions to this 403(b) PROGRAM in respect to each Participant shall be
- 42 invested in life insurance company contracts on the life of the Participant.
- 43 (b) Each Participant shall specify in the amendment to his or her employment
- 44 agreement the manner in which the contributions made by the Employer on his
- 45 behalf are to be invested.
- 46 (c) The manner in which contributions are to be invested may be changed from time to
- 47 time by a Participant by revisions in the amendment to his or her employment
- 48 agreement.
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- 1 (d) For purposes of this 403(b) PROGRAM, the term "life insurance company contracts"
2 shall mean any of the following types of contracts issued by a life insurance
3 company licensed to do business in the State of Tennessee.
4 (e) Such life insurance company contract must be nontransferable and the rights of a
5 participant under such contract must be acceptable to the Internal Revenue Service
6 as a 403(b) PLAN.
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- 8 VII. TERMINATION OF PARTICIPATION
9 (a) Participation in this 403(b) PROGRAM shall terminate no later than the date on
10 which a Participant ceases to be an employee of the Employer, such date depending
11 on the terms of the Participant's employment agreement with the Employer.
12 (b) Participation in this 403(b) PROGRAM may be terminated at any time by a
13 Participant by completing a revision of the amendment to his or her employment
14 agreement with the Employer.
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- 16 VIII. NONRECOVERY OF CONTRIBUTIONS
17 Contributions made by the Employer to a 403(b) PLAN shall not be recovered by the
18 Employer but shall irrevocably vest in the Participant with respect to whom they were made
19 through the means of the life insurance company contracts described in Article VI.
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- 21 IX. AMENDMENT OF TERMINATION
22 (a) While it is expected that this 403(b) PROGRAM will be continued indefinitely, it may
23 be amended or terminated by the Employer at any time.
24 (b) No amendment or termination of this 403(b) PROGRAM shall be effective so as to
25 permit the Employer to recover any contributions made under this 403(b)
26 PROGRAM.
27 (c) If this 403(b) PROGRAM is terminated, any reductions of compensation that have
28 been made and are still in the hands of the Employer at that time shall forthwith be
29 contributed to the life insurance company contracts then in effect.
30 (d) If this 403(b) PROGRAM is terminated, all amendments to employment agreements
31 shall forthwith be terminated automatically and all contributions by the Employer to
32 403(b) PLANS shall automatically terminate, subject to the disposition of any
33 contributions on hand, as described in Article IX(c).
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