

## Tax-Deferred Annuity / Compensation

ESD 123 may contract with a staff member to defer any portion of his/her compensation in a credit union, savings and loan association, bank, or other such financial institution or insurance company as set forth in RCW 41.04.250. In addition, ESD 123 may, at the staff member's direction, provide and pay for a tax-deferred annuity for the purpose of funding an approved tax-deferred annuity program.

The Superintendent may enter into a tax-deferred annuity contract when five (5) or more staff members request ESD 123 to enter into a contract with a company of the staff members' choice authorized to do business in the State of Washington through a Washington-licensed agent, providing product compliance with IRS code is documented through a satisfactory contract with ESD 123. Procedures shall address:

1. staff responsibilities for carrying out the deferred annuity program;
2. how and when staff members can be contacted by representatives of companies licensed to do business in the State of Washington, provided that no staff member shall be personally contacted during the normal workday; and ESD 123 shall be held harmless for any actions occurring after the authorized funds have been disbursed to the company designated by the staff member.

First Reading: 11/16/2021

Second Reading: 12/16/21

Adoption: 12/16/21

### Reference:

[RCW 28A.310.200 ESD board—Powers and duties—Rules.](#)

[RCW 28A.310.220 ESD board—Delegation of powers and duties to superintendent.](#)