

## NORTHEAST VALLEY HEALTH CORPORATION

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|-----------------|-----------------------------------------|--------------------------|----------------|
| <b>Manual:</b>  | <b>H.R. Policy and Procedure</b>        | <b>Number:</b>           | <b>360</b>     |
| <b>Section:</b> | <b>Benefits</b>                         | <b>Date Implemented:</b> | <b>5-1-95</b>  |
| <b>Subject:</b> | <b>403b Tax Sheltered Annuity (TSA)</b> | <b>Date Revised:</b>     | <b>7/26/07</b> |

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### **POLICY**

NEVHC has established an employer sponsored non-contributory 403b Tax Sheltered Annuity plan. NEVHC contributes an amount equal to 5.5% of the employee's base salary towards this pension plan. To be eligible for the company contribution, the employee must be on regular status, scheduled to work a minimum of 20 hours (50% time) per week and have completed the 90 day Get Acquainted Period and have worked at least 1000 hours in the first year of employment. Employees have the option of contributing voluntarily to the plan through payroll deduction, to the extent permitted by the Internal Revenue Service Code available through a qualified 403b plan. If employees do not meet the hours test (such as working less than 50% time or less than 20 hours), they may still contribute voluntarily if otherwise qualified. Contributions are invested in a fixed or variable annuity through an established and stable financial institution.

### **PROCEDURE**

The account representative will personally meet with each new eligible employee to explain the various fixed and variable options available under the plan. The account representative then sends the signed, applicable paperwork to payroll for administration. Employees enroll on a Salary Reduction and Deferred Compensation Agreement.

Human Resources (H.R.) sends an employee eligibility list to the account representative on a monthly basis for his/her follow-up. H.R. coordinates employee inquiries or problems through the account representative.

The HR Director and Benefits Coordinator are authorized fiduciaries to approve loans and hardship withdrawals. Hardship withdrawals require appropriate documentation and may only be exercised once every six (6) months.