ERIE COUNTY TECHNICAL SCHOOL
PROPOSED AGENDA ITEM

DATE: October 28, 2004

SUBJECT: 403 (b) Tax shelter program provider

INITIATED BY: Paul Fritz, Business Manager

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DESCRIPTION:

ECTS is an eligible employer to sponsor 403 (b) voluntary employee tax sheltered contributory retirement annuity plans and Board Policy Number 615 permits the payroll withholding of employee payments to a plan. The following resolution approves the addition of The Security Benefit Group of Companies as a Service Provider eligible for participation at ECTS. The completed service provider agreement form is on file with the Business Manager.

RECOMMENDATION:

Motion to approve The Security Benefit Group of Companies as a Service Provider for the IRS code section 403 (b) contributory retirement plans.

Erie County Technical School

Service Provider Agreement

Non-ERISA 403(b) Plans

Employer Certifications:

Erie County Technical School certifies that it is an eligible employer for the purposes of sponsorship of a 403(b) Plan, and that employer will make the 403(b) plan available to all eligible employees in accordance with IRC 403(b)(12)(ii).

Service Provider Certifications:

1. Service Provider agrees that it will provide calculations to determine the eligible contribution limits upon the request of any Employee, and further agrees that the calculations shall be based upon applicable state and federal income tax statutes and regulations (Applicable Law). Subject to the accuracy of information provided by the Employee, Service Provider certifies the accuracy of any calculation provided by Service Provider, its agent, or other designee.

2. Service Provider agrees that the custodial accounts or annuity contracts shall comply with the provisions of Applicable Law, and further certifies that such custodial accounts or annuity contracts shall be made available for any eligible Employee.

3. Service provider shall be responsible for reporting and withholding taxes on distributions it makes directly to Employees and/or their Beneficiaries as appropriate. For the annuity contracts or custodial accounts that permit Employee-directed requests to the Service Provider, the reason for the distribution shall be certified by the Employee so that the restrictions of Applicable Law regarding such distributions, including tax-free transfers under Revenue Ruling 90-24, and rollovers, whether direct or indirect are met. With respect to distributions, including transfers and rollovers, the Service Provider may rely upon the information received from the Employee, the Employer, or prior service provider.

4. Service provider agrees that it shall, upon reasonable advance written notice, comply with all pertinent written directives regarding the solicitation of Employees to the extent such compliance is not inconsistent with any law.

5. In the event of an income tax audit, or the Employer's entry into an IRS Correction Program (under the terms of Revenue Procedure 2001-17 or such revenue procedures that supersede it), Service Providers agrees to extend its cooperation in providing necessary data to the Employer with respect to Employees in the annuity contracts or the custodial account provided by the Service Provider, provided that such data was maintained or prepared by Service Provider in providing such contracts or accounts.

6. Service Provider agrees to indemnify and hold harmless the Employer, including any individual member of the governing board, and Employees from every claim, demand or suit which may arise out of, be connected with, or be made by reason of the negligence of the Service Provider, or the failure of the Service Provider to meet the requirements of this Agreement. Notwithstanding the preceding sentence, this indemnification shall not cover any claim, demand or suit based on erroneous information provided by the Employer or Employees or their willful misconduct or negligence. Service provider, at its own expense and risk, shall defend, or at its option, settle any court proceeding that may be brought against the Employer, including members of the governing board, and Employees, on any claim, demand or suits with respect to any such claim or demand, provided that Employer notifies Service Provider, in writing, within twenty (20) business days of receipt of such claim or demand. Service Provider's liability hereunder shall be limited to actual damages and out-of-pocket legal fees and expenses only.

7. This Agreement may be modified, amended, or terminated by Employer or Service Provider upon thirty (30) days written notice to the other party, provided that no such modification, amendments, or termination shall affect any liability incurred by Service Provider prior to such modification, amendment or termination.

8. This Agreement supersedes all prior agreements between the Service Provider and the Employer.

Service Provider:

Provider Name Security Benefit
One Security Benefit Place
Topeka KS 66636-0001

By [signature]
V.P.

Title Authorized Officer of Service Provider

Date of Signature: 9-16-04

Employer:

Erie County Technical School
Paul Fritz

By [signature]
Bus. Mgr.

Title Authorized Signature of Employer

Date of Signature: 9.30.04

ISO Form Number: 2500.01.04	Issue Date: April 11, 2003
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