



# POLICY

Category	Approval	
Series 400: Fiscal Management	Effective 2/22/10	Administration 12/4/09
	Revised 8/26/24	Board 2/22/10 For Review 2028

## SALARY DEDUCTIONS – ALL EMPLOYEES

**MTC 435**

Deductions will be made from the paychecks of all employees for federal income tax, for retirement in keeping with state requirements, and for OASI (Social Security).

In addition, the Mitchell School District 17-2 (MSD) Board authorizes the following types of deductions from employee salaries, provided the employee has filed the proper permission or payroll withholding request:

1. Employee contributions to the health, life, dental, vision, and disability insurance programs and any other similar programs that are or may be approved by the Board.
2. Deductions for tax-sheltered annuity programs subject to the following requirements:
  - a. Companies desiring the district to make tax sheltered annuity deductions must submit a signed purchase and salary deduction agreement for each employee.
  - b. Deductions are to be withheld in installments determined by the number of pay periods designated by the Board.
  - c. The payroll department of the Mitchell School District 17-2 Business Office shall begin new agreements or amend agreements for employees on the first of each month. All of the above provisions must be met before a change may be processed. All changes must be made in compliance with IRS rules and the company's policy regulations. Verification in writing by the employee and the company's agent must be submitted to initiate a change.
3. Only tax-sheltered annuity providers that meet both all federal requirements and compliance requirements and the compliance requirements of the 403B umbrella corporation contracted by the district shall be eligible providers for tax-sheltered annuity salary deductions with the Mitchell School District.
4. Employee contributions to any charitable organizations that are or may be approved by the MSD Board.
5. Employee contributions to flexible spending accounts.

Legal References: SDCL 3-10-1 et seq.  
3-11-1 et seq.  
3-12C-101 et seq.

6/27/2016 – Contributions to charitable organizations added as an approved salary deduction option.

8/26/2024 – Added “Mitchell School District 17-2” in the first references of the board and business office for clarity. Added vision insurance and flexible spending accounts to eligible deductions. Added 3-12C-101 to legal references.