

Natchitoches Parish School Board Resolution to Amend  
3121 FICA Alternative Plan

**Action Item**

Authorize the Administration to implement a plan that utilizes IRC 401(a) with a 414(h) provision to cover temporary, long term, uncertified teachers pursuant to IRC Section 3121(b)(7)(f).

**Supporting Information**

Social Security contributions for temporary, long term, uncertified teacher will be eliminated. The employer will contribute .5% of pay and participating employees will have a mandatory pre-tax contribution of 7% of pay, made to the 401(a) plan in lieu of contributing 6.2% after-tax to Social Security. Medicare contributions of 1.45% will continue. All employee contributions, plus earnings, are 100% vested and available for withdrawal upon termination of employment.

The cost to implement the plan is \$1,200 and covers the cost of the 401(a) plan document. Annual ongoing cost of the plan administration to the employer is an annual base fee of \$1,800. The cost of the recordkeeping, deducted from the employee's account balance is \$50 annually. The recordkeeping cost will be deducted every quarter when participant statements are generated at \$12.50 a quarter.

The vendor selected to provide Third Party Administrative and recordkeeping services is Leon E. Werntz and Associates, Inc. The vendor responsible for Financial Advisory services is David Kees with SagePoint Financial.

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Authorized Signer Date