

**BOARD POLICY**  
**San Mateo County Community College District**

**Subject:** 8.42 Tax Deferred Compensation  
**Revision Date:** 2/12  
**Policy Reference:** Education Code Section 87040(b)

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1. Regular certificated contract employees and members of the classified service may, for the purpose of deferring taxation on compensation, enter into deferred compensation agreements for the purpose of effecting a reduction in the salary paid them.
2. The San Mateo County Community College District shall deposit the deferred compensation with financial and commercial insurance companies designated by the District which meet the criteria of Section 403(b) of the Internal Revenue Code and the requirements of the District.
3. The Executive Vice Chancellor or designee is authorized to sign employee designated deferred compensation agreements for those employees who wish to defer taxation on compensation.