

**Kern Community College District**  
**Administrative Procedure**  
Chapter 7 – Human Resources

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**AP 7385 Salary Deductions**

**References:**

Government Code Sections 7000 et seq.

NOTE: This procedure is **legally required**.

**Tax-Deferred Annuity Plan**

Employees may participate in a tax-deferred annuity program.

No *in-lieu* payments or contributions to programs other than those, which the District provides, shall be made by the District for any employee who elects not to subscribe to the benefits provided by this Policy.

Employees on District-approved unpaid leaves of absence shall have the option to continue District health and welfare coverage(s) for the period of the leaves upon reimbursement to the District for as long as the practice is allowed by the health and welfare benefit provider(s). Failure to make timely payment for (2) two successive months shall cause the right to continuous coverage to cease.

Eligible employees shall have their health and welfare benefits commence on the first (1st) day of the month following the first day of employment.

Employees who terminate prior to the close of the College year shall be covered by the District's insurance programs to the end of the month in which the termination takes place.

Regular and contract faculty, members of the classified service, and administrative staff may, for the purpose of deferring taxation on compensation, enter into amendments to their contracts of employment for the purpose of effecting a reduction in the salary paid them by contacting Human Resources.

The Fiscal Services and/or Human Resources Department as appropriate shall deposit the deferred compensation with Public Employees Retirement System, State Teachers Retirement System, any commercial insurance company, or other investment company chosen by the individual employee and which meets the criteria of Section 403(b) of the Internal Revenue Code and the requirements of the District.

Also see the collective bargaining agreements for applicable employee group(s).