

ATTACHMENT B

COMPENSATION AND FRINGE BENEFITS

Tax Shelter for TRS Contributions

- A. Each certified staff member's annual gross salary shall be determined according to the authority granted by the *Pension Reform Act of 1974* and set forth in Section (b) (2) of the *Internal Revenue Code*. From each certified staff's annual gross salary the Board agrees to pay to TRS, on behalf of each certified staff member the following contributions: 2008-2011.

For all certified staff, four and one-half percent (4.5%) of the salary stated would be a tax-sheltered contribution made to TRS. In addition, the Board of Education will pay .047120% annual contribution of the salary stated to TRS on each certified staff member's behalf.

- B. If the tax sheltering practice described above is subsequently determined to be improper by the IRS, the Association agrees that any penalty or income tax assessed by the IRS shall be paid by the individual certified staff member and not by the Board.