

Connetquot Teachers Association, Inc.

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Loretta Powell
President

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June 19, 2007

Ms. Lee Kennedy, President
Board of Education
Connetquot CSD of Islip
780 Ocean Avenue
Bohemia, New York 11716

Dear Ms. Kennedy,

We are in receipt of correspondence from Evan Engler, Coordinator of Financial Services, NYSUT, concerning the estimated tax savings that would be realized if the Connetquot CSD of Islip adopted the Non-elective 403(b) Employer Contribution. (Please see attached spreadsheet.)

This issue is a long standing concern for the Connetquot Teachers Association. For years the Association has asked the District to adopt the Non-elective 403(b) Employer Contribution. We believe that this plan represents equal savings for both the individual retiring teacher and the District. Many other school districts have adopted this plan and have been realizing tax savings over the years. The estimated savings to the Connetquot CSD of Islip for the past four years would have been \$555,871! We must admit confusion concerning the District's continuous refusal to adopt this plan. We find this especially true since Connetquot's School Attorney; Greg Guercio, has helped negotiate this plan along with Evan Engler in many other school districts.

We are willing to meet with the Board of Education to discuss implementation of this plan for the mutual benefit of both the District and our members.

Sincerely,

Loretta Powell
President

C. Scott Lockwood, Esq.

**Projected FICA Savings on Employer Contributions to 403(b)
Sample School District**

Names		Salary Information				CASH PAYMENTS			VS.	403(b) Contribution			TAX SAVINGS	
Number of Retirees	Year	Average Contract Salary	Average Salary Earned by June 30th	Sick Day Pay	Total Calendar Year Total Salary	Max. Social Security	Medicare	Total		Social Security	Medicare	Total	403(b) Savings	%
60	2003	\$ 93,090.00	\$ 46,545.00	50,000	5,792,700	362,700	83,994	446,694		\$ 173,147.40	\$ 40,494.15	\$ 213,641.55	\$ 233,052.60	52.17%
23	2004	\$ 96,348.00	\$ 48,174.00	50,000	2,258,002	139,035	32,741	171,776		\$ 68,696.12	\$ 16,066.03	\$ 84,762.15	\$ 87,013.88	50.66%
21	2005	\$ 98,756.70	\$ 49,378.35	50,000	2,086,945	126,945	30,261	157,206		\$ 64,290.61	\$ 15,035.71	\$ 79,326.32	\$ 77,879.39	49.54%
24	2006	\$ 101,225.62	\$ 50,612.81	50,000	2,414,707	145,080	35,013	180,093		\$ 75,311.86	\$ 17,613.26	\$ 92,925.12	\$ 87,168.14	48.40%
20	2007	\$ 104,262.39	\$ 52,131.19	50,000	2,042,624	120,900	29,618	150,518		\$ 64,642.68	\$ 15,118.05	\$ 79,760.73	\$ 70,757.32	47.01%
TOTALS		\$ 493,683	\$ 246,841	250,000	14,594,979	894,660	211,627	1,106,287		\$ 446,089	\$ 104,327	\$ 550,416	\$ 555,871	49.6%