

403(b) Plan Notification

We are pleased to make available to you a voluntary retirement savings plan, the Valparaiso Community School 403(b) Plan. Contributions to the 403(b) Plan can be a great way to build your retirement savings. You are never too young to start planning for your retirement. Here are some important facts you should know.

What is a 403(b) account? A 403(b) plan is a US tax advantage retirement savings plan for public education organizations. Employee salary deferrals into the plan are made before income tax is paid and allowed to grow tax-deferred until the money is taxed as income when withdrawn from the plan at retirement age. **This plan is 100% employee paid.**

Who is eligible? You are eligible to participate in the plan if you are a full or part-time employee of Valparaiso Community Schools.

Enrolling in the Plan:

When can I enroll? You can enroll at any time.

How do I enroll? To enroll you must complete a Salary Reduction Agreement. This form can be found on our website if you visit www.valpo.k12.in.us and go to the Benefits Department. You must also complete an annuity contract or custodial account application to establish your investment account or accounts under the authorized provider(s). For additional information you can also visit www.tsacg.com.

Application forms for an annuity contract or custodial account must be obtained from the representative of the investment provider you select. Return all completed forms to the CFO. Your participation will begin at the start of the payroll period following the date that the payroll department processes your completed enrollment form(s).

Contributions to the Plan:

What type of contributions can I make to the plan? The plan accepts **pre-tax contributions.**

How much can I contribute to the plan? The IRS limits the annual contributions you can make to a 403(b) plan. This year, you can contribute 100% of your compensation, up to \$19,000.00.

Note that you must contribute at least \$200 per year to participate in this plan. In addition, if you are making pre-tax salary deferral contributions to another 403(b), 401(k), Simple IRA, or SARSEP plan with an employer during the tax year, the total you can contribute to all plans combined is the amount indicated above. However, if you are making salary reduction contributions to the 457(b) plan, there is no need to coordinate those contributions with your 403(b) contributions.

If you will be age 50 and older this year, you can contribute an additional catch-up contribution of \$6,000.

How can I change the amount of my contribution to the plan or stop contributions? You can make changes in your contributions, or stop them at any time. You will need to complete a new Salary Reduction Agreement and send it to the CFO. The change will take effect on the next available payroll period after the new Salary Reduction Agreement is processed.

Our Approved Providers:

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