

Understanding Your 403(b) & Roth 403(b)

Overview

The 403(b) is a Tax-Sheltered Account (TSA) developed by the IRS to allow you to save for retirement and supplement your CalSTRS/CalPERS pension plan. On average, your pension replaces 50-65% of income in retirement.^{1,2} Currently, studies show that at a minimum, approximately 80% of income replacement is necessary to maintain the same standard of living in retirement.³ A 403(b) offers school employees a way to bridge that gap while saving for retirement.

403(b)

Taxes

Contributions are made to a 403(b) before taxes are taken from your paycheck, reducing your taxable income. Taxes are paid on withdrawals, typically in retirement when you will likely be in a lower tax bracket.

Withdrawals

You may begin to take withdrawals from a 403(b) at age 59½. Penalties may apply to withdrawals taken before this time.

Loans

A loan may be taken against a 403(b) funds while you are still employed. Repayment terms and interest rates are determined by your plan's administrator, SchoolsFirst Plan Administration.

Roth 403(b)

Taxes

Contributions to a Roth 403(b) are made after taxes are taken from your paycheck, allowing your earnings to grow—and withdrawals taken—tax-free if the account has been open for at least five years and you are age 59½ or older.

Withdrawals

You may make a withdrawal from a Roth 403(b) when you reach age 59½, upon severance of employment, or in case of hardship, disability or death.

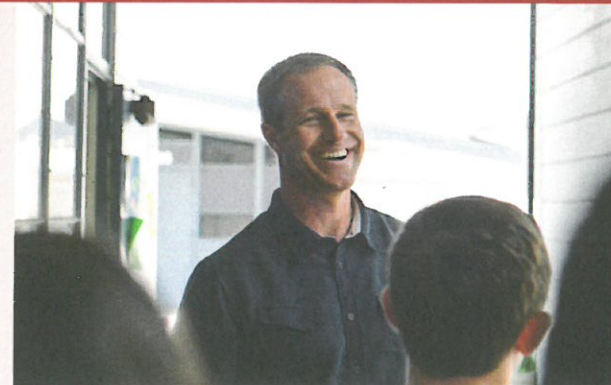
Loans

A loan may be taken against a Roth 403(b) while you are still employed. Repayment terms and interest rates are determined by your plan's administrator, SchoolsFirst Plan Administration.

Contribution

In 2019, you may contribute up to \$19,000 to a 403(b) and/or Roth 403(b), combined. It is possible to contribute up to \$9,000 more than the maximum if you meet the following requirements:

- Age 50+ in 2019 = an additional \$6,000
- With employer 15+ years = an additional \$3,000



Here to help you

The 403(b) administrator for your district is SchoolsFirst Plan Administration. If you have questions, or would like to open a 403(b) account, please contact:

Eric Reese
Retirement Plan Advisor

Phone
(800) 462-8328 x 4116

Cell
(657)274-6899

Email
ereese@schoolsfirstfcu.org

Minimum contribution starts at \$25

Low Cost Investment Options

To Enroll Online visit:
<http://www.nationwide.com/schoolsfirst.jsp>

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SchoolsFirst Plan Administration, LLC is a wholly-owned affiliate of SchoolsFirst Federal Credit Union. Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with SchoolsFirst FCU to make securities available to Members. **Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution.** CUNA Brokerage Services, Inc., is a registered broker/dealer in all fifty states of the United States of America. **1.** Overview of the California State Teachers' Retirement System and Related Issues, 2016. **2.** California Public Employees' Retirement System Overview, 2016. **3.** "How much do you really need for retirement?" Forbes.com, 2015.

Representatives are not tax advisors. For information regarding your specific tax situation, please consult a tax professional.

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My Health Care Estimator

- Understand your potential health care costs in retirement in less than five minutes
- Start preparing with insight into these potential expenses



Access on your terms

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- Learn about budgeting, dollar cost averaging, special considerations and more with a library of videos, relevant articles, and tools



Professional Advice is just a phone call away

- Our advisors are available over the phone or we'll even come to your school or district office for in-person appointments
- Get support and answers to any questions you may have about your retirement savings



CALL
800.462.8328, ext. 4116
Option 1 to schedule an appointment



CLICK
nationwide.com/schoolsfirst to get started

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