

*Provided by your employer and First Financial Administrators, Inc.*

***Welcome back to school! We hope you had a relaxing and productive summer.***

We have exciting news! This year, we are pleased to announce that all employees are eligible to participate in 403(b), a supplemental retirement option, to help plan for your financial future. Please take some time to review the following information about how a 403(b) plan can enhance your financial planning and how you can start contributing to a retirement fund.

## **What is a 403(b) retirement plan?**

It is a retirement plan that allows contributions and investment earnings to grow tax deferred until withdrawal.

## **Why contribute to a 403(b) retirement plan?**

- » Reduce taxable income
- » Save for retirement
- » Contributions and earnings grow tax-deferred

## **Want to start a 403(b) account? Here's how:**

- » Select a provider that is available under your employer plan. A list of available providers can be found on our website at <http://www.ffga.com>.
- » Contact an agent or financial advisor. Be aware that your agent must have completed the enrollment on our website prior to submitting a Salary Reduction Agreement form. Agent enrollment and the Salary Reduction Agreement forms can be found at <http://www.ffga.com>.
- » Do you need an agent? Find one at <https://www.ffga.com>
- » Complete a Salary Reduction Agreement (SRA) form and fax to (866) 265-4594 or mail to:  
First Financial Administrators, Inc.  
P.O. Box 670329  
Houston, TX 77267-0329

***Send provider applications directly to the provider. (Do not sign a blank Salary Reduction Agreement and leave with your agent, as you are responsible for all information provided on the agreement).***

Only our Salary Reduction Agreement form will be accepted to start and/or make any changes to your 403(b) accounts.

- » Remember, a First Financial Administrators, Inc. Salary Reduction Agreement must be completed in order to increase, decrease, stop or restart your contributions.
- » Agent signatures are only required on new accounts. You are considered a new account if you are starting contributions to a new provider or starting contributions with a new school.
- » Need due dates to have Salary Reduction Agreements processed in the allotted time? Go to <http://www.ffga.com>.

## **Transferring to a new school district and want to continue 403(b) contributions?**

- » Contact your provider and advise them that you have changed districts and your contributions will be submitted from your new employer. Your annuity provider may require new enrollment paperwork.
- » Complete a Salary Reduction Agreement for the new school district. On the SRA, circle "new" because you are a new employee with the school district. Remember that the provider must be an approved provider with your new district/employer.

## **Take advantage of Savings Tax Credit (Saver's Credit)**

If you make contributions to a qualified employer-sponsored retirement plan such as 403(b), 457, 401(k), or to an individual retirement arrangement, you may be able to take a tax credit of up to \$1,000 for single filers and \$2,000 for married couples.

- » The Retirement Savings Contributions Credit applies to:
  - » Individuals with incomes up to \$28,750 (\$43,125 for head of household).
  - » Married couples with incomes up to \$57,500 who file jointly
  - » Individuals who are over the age of 18, not a full-time student, and not claimed as a dependent on another person's tax return.

## **How much can I contribute?**

Current contribution limits are as follows:

- » Under age 50 – up to \$17,000 per calendar year.
- » Age 50 and over – up to \$22,500 per calendar year.

The 15-year catch up is no longer allowed in any of the school districts where First Financial Administrators, Inc. provides 403(b) administrative services.

## **How and when can I get my money out?**

You must have a qualifying event to withdraw your money. The qualifying events are:

- » Severance from Service
- » You have reached 59 ½ years of age or older
- » Disability
- » Death
- » Financial Hardship (only if allowed by Plan)

## Types of Distributions:

\*Requirement\* Must be an available option in your Plan. In order to verify if the following options are available under your plan, please review your Plan Summary at <http://www.ffga.com>

### Exchanges

- » An exchange allows you to move money from one provider in the plan to another provider in the same employer plan. For instance, if you have a 403(b) account with one provider and want to start with a new provider on the approved list, you can consolidate your funds in your new account.
- » What paper work do I submit?  
*You must submit all required paperwork from both the surrendering company and the receiving company.*

### Buying Years of Service

- » You may transfer your 403(b) account to buy back Teacher Retirement Service (TRS) years of service or purchase out of state credit if available to you.
- » What paperwork do I submit?  
*You will need to send the surrendering company paperwork along with the TRS trustee to trustee rollover form and service purchase invoice.*

### Transfers/Rollovers

- » When you have a qualified event, you may be eligible to transfer/rollover your account to another retirement plan (i.e., 457, IRA, a plan with your new employer, etc.).
- » What kind of paperwork do I submit?  
*You must complete the surrendering company and the receiving company forms.*

### Loans

- » To apply for a loan, you must determine if your district plan a) allows loans and b) has a limit on how many outstanding loans are permitted. Most plans limit loans to one at a time. If your district has this limitation, please make sure that you have no outstanding or defaulted loans before submitting paperwork for approval. Obtain necessary forms from the provider and submit to First Financial Administrators, Inc. for approval.
- » Due to the requirement for written documentation of the information from providers, loans could take up to 2 weeks to process.
- » Loan Limits (if allowed) in a 12 month period is the lesser of 50% of account value or \$50,000.

*You must contact your provider for the required forms.*

If your provider does not require originals, requests may be faxed to (866) 265-4594.

Please allow 3-5 business days before calling to check the status of your request.

To review IRS regulations, go to [www.IRS.gov](http://www.IRS.gov) or call (800) 829-3676.

*More questions about your 403(b) Plan? Refer to our  
Frequently Asked Questions section at [www.ffga.com](http://www.ffga.com).*



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