

## Employee Retirement Savings Newsletter 2009-2010

### How can I start a 403(b) account?

- Choose a vendor that is available under your employer plan. A list of available vendors can be found at our website. Please go to:  
<http://www.ffga.com/403b/403bMain.aspx>
- Contact an agent/financial advisor. Be aware that your agent must have completed the enrollment on our website [www.ffga.com](http://www.ffga.com) prior to submitting a salary reduction authorization form.
- Do you need an agent?  
<https://www.ffga.com/403b/ZipSearch.aspx>
- Complete a Salary Reduction Agreement (SRA) and fax or mail the form to First Financial. **Only** our Salary Reduction Agreement form will be accepted to start and/or make any changes to your 403(b) accounts. (Please send vendor applications directly to the vendor).
- Agent signatures are only required on new accounts—new: starting contributions to a new vendor or starting contributions with a new school.
- Need the due dates to have Salary Reduction Agreements processed in the allotted time?  
<http://www.ffga.com/403b/PlanDescription.aspx>

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

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.

**Contact the vendor and advise them you have changed districts and your contributions will be coming from your new employer.**



### Savings Tax Credit (Saver's Credit):

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

The Retirement Saving Contributions Credit applies to:

- Individuals with incomes up to \$27,750 (\$41,625 for head of household)
- Married couples with incomes up to \$55,500, who file jointly.
- You must be over the age of 18, and you cannot be a full-time student, or be claimed as a dependent on another person's return.

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

Current contribution limits are as follows:

- Under age 50 -- up to \$16,500 per calendar year.
- Age 50+ -- up to \$22,000 per calendar year

**The 15-year catch up is *no longer* allowed.**

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

You must have a qualifying event in order 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

**(Hardships are subject to plan allowance)**

## **Types of Distributions:**

### **Exchanges:**

An exchange allows you to move money from one vendor in the plan to another vendor in the same employer plan. For instance, if you have a 403(b) account with one vendor and want to start with a new vendor on the approved list, you can consolidate your funds in your new account.

Q: What paperwork do I submit?

A: 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 TRS years of service or purchase out of state credit, if they are available to you.

Q: What paperwork do I submit?

A: You will need to send the surrendering company paperwork along with the TRS trustee to trustee rollover form.

### **Transfers:**

When you have a qualified event, you may be eligible to transfer your account to another retirement plan (457, IRA, a plan with your new employer, etc.)

Q: What paperwork do I submit?

A: You must have the surrendering company and the receiving company forms.

### **Loans:**

To apply for a loan, you must determine if your district plan (1) allows loans and (2) the number of outstanding loans 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 to us for approval. Obtain necessary forms from the vendor and submit to FFA for approval.

Due to the requirement for written documentation of the information from vendors, loans could take up to 3 weeks to process.

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

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.