

## **LONDONDERRY SCHOOL DISTRICT 403b Plan**

### **Frequently Asked Questions – About your 403(b) Retirement Plan**

The Londonderry School District offers all W-2 employees, except student workers and student teachers, the immediate eligibility to voluntarily make elective deferral contributions into the Londonderry School District 403(b) Retirement Plan.

A 403(b) plan is a tax sheltered retirement plan which is similar to a 401(k) plans. 403(b) retirement plans are available to employees who work in organizations that serve certain public education, charitable, scientific, public safety testing, literary or religious purposes. Below are some key highlights.

#### **What are some of the benefits to contributing to a 403(b) plan?**

The retirement plan allows you to contribute a portion of your income on a pre-tax, and if the plan permits, on a post-tax basis through a 403(b) Roth contribution. All contributions are made through payroll deductions. Your pre-tax contributions and earnings grow tax free until they are withdrawn. Roth 403(b) contributions are made on an after tax basis. The earnings grow tax free, and funds are distributed tax free, so long as the distribution occurs after the end of the five year period that begins in the year you first make a Roth 403(b) contribution.

#### **How do I enroll in the plan?**

You can make contributions to those 403(b) investment providers that are authorized providers under the Plan. You will need to complete an account application to establish your 403(b) investment under the Plan. Application forms can be obtained from the representative of, or the investment provider you select. The application is submitted to the investment provider for processing. Employees should contact each provider for information about the 403(b) products and services it offers. In addition, you must complete a Salary Reduction Agreement authorizing the organization to deduct the 403(b) contributions from your paycheck. Salary Reduction Agreements are available through the investment provider (see list below).

#### **How much can I contribute in the Plan?**

The IRS limits the annual contributions you can make to a 403(b) plan. For 2017, the limit is \$18,000 for participants under age 50 and up to \$24,000 for participants who become age 50 or older during this calendar year. Under the terms of the **Londonderry School District 403b Plan**, employees with at least 15 years of service may be eligible for an additional \$3,000 catch-up contribution. You should check with your tax advisor and your investment provider to determine if this applies to you.

#### **What should I do if I want to change my current 403(b) contribution amount?**

You can make a change to or stop your contribution at any time. You will need to complete a new Salary Reduction Agreement and provide it to the Payroll office to do so. The change will take effect for the next available payroll period as described above after the new Salary Reduction Agreement is processed by the Payroll Office.

#### **When can funds be withdrawn from the 403(b) retirement plan?**

403(b) plans are designed for long term retirement savings, and as a consequence, there are plan rules and IRS guidelines as to when funds can be withdrawn from the Plan. The plan also permits loans and hardship distributions if you meet the applicable eligibility requirements.

We recommend that you consult your tax advisor, financial representative or attorney to review your options and the applicable regulatory guidelines.

**What has the organization done to help ensure that plan rules and IRS regulations are maintained?**

The organization has retained two third party administrators to assist with plan compliance matters. AdminPartners, LLC and HMLIC TPA Services.

HMLIC TPA Services assists the organization to: design and maintain its written Plan document, perform record keeping functions and to act on behalf of the employer to approve and monitor certain plan transactions.

They also assist plan participants by: communicating and explaining the IRS requirements and how it affects them and by helping participants navigate interactions with the plan’s investment providers.

**How do I request a distribution, a loan or move funds from my 403(b) investment?**

First, you must complete and sign all necessary paperwork required by your investment provider. [You can get all necessary paperwork through your investment advisor, a customer service representative or via your investment provider’s website]. The paperwork is then submitted to AdminPartners, LLC for review and approval.

In many cases, investment providers do accept faxed or scanned paperwork (please check with your investment provider before submitting the documents). You can fax the paperwork to AdminPartners, LLC at: 856-755-3515. If the transaction requires original paperwork, the material can be mailed to the following address: **AdminPartners, LLC, Attn: Compliance Dept., 200 Lake Drive East, Suite 102, Cherry Hill, NJ 08002.**

AdminPartners LLC will review your employer’s written Plan document to determine whether the transaction you are requesting is allowable under the terms of the Plan; and if so, they will then review applicable IRS requirements and consult your investment provider as necessary to determine whether your request meets these criteria. If yes, your request will be approved and submitted to your investment provider for completion. If your request cannot be approved, AdminPartners, LLC will contact you explaining the reason(s) for the denial.

**Who can I contact if I have additional questions?**

You can contact your Payroll or Human Resources department for additional information. You are also free to contact AdminPartners at 877-484-4400 or HMLIC TPA Services at 877-606-3470 with any questions.

*The Londonderry School District has no liability for any employee’s election to participate in the 403(b) plan, choice of 403(b) vendor(s), or the expected tax consequences resulting from participating in the 403(b) plan. The Londonderry School District does not provide tax, legal or investment advice and recommends that employees seek advice from professionals who specialize in these areas.*

**LONDONDERRY SCHOOL DISTRICT VENDORS – 2016-2017**

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METLIFE	DUSTON LADIEU- <a href="mailto:dladieu@baystatefinancial.com">dladieu@baystatefinancial.com</a>	781-239-2028