

To: New Hires

From: Melina Nguyen, Director of Business Services

Re: Notice of Benefits Eligibility 2020-21

As an employee of Oak Grove School District, you are eligible to participate in a 403(b) and/or 457(b) retirement plan. Participation in these plans is voluntary and may be done at the employee's discretion. Please review this letter to understand the retirement plan savings options available to you.

403(b) Tax Sheltered Annuities:

A 403(b) is a tax-sheltered plan that allows you to set aside money for retirement on a tax-deferred basis using a payroll deduction process through the District. The funds withheld from your paycheck are then invested with a 403(b) vendor that you choose from our list of approved companies. You will control how your funds are invested by consulting with a financial advisor or the company/vendor you select. Investment options include fixed and variable annuities as well as custodial mutual fund accounts. You may not make direct contributions to individual stocks or bonds. Please find the complete list of available 403(b) vendors on the CalSTRS website at www.403bcompare.com.

The contribution limit for 2020 is \$19,500.

457(b) Deferred Compensation:

A 457(b) is another tax-sheltered plan that permits you to defer taxes voluntarily through salary reduction contributions. This option is commonly referred to simply as a "457 plan". The available investment options in this plan differ from those offered under a 403(b), and are provided by the TDS Group. TDS is the only approved vendor for Oak Grove School District. You can obtain the list of investment options by e-mailing planadministrator@tdsgroup.org or by calling (866) 446-1072 Option 4.

Also, the contribution limit for 2020 is \$19,500.

To start saving for retirement, please contact a 403(b) vendor or a financial advisor. If you need more information about participating in a 403(b) or 457(b) retirement savings plan, please contact **Carrie Newton** at extension **100231**. We are not experts, however, Carrie can direct your question to the appropriate contact person or refer you to a TDS Benefits Counselor.

Once you have selected an account of choice, please complete and submit the Salary Amendment Agreement (403b/457) to Carrie Newton in Business Services at the District Office.

Welcome to Oak Grove School District. We are happy that you are on board!