

What is a 403(b)?

A 403(b) plan (tax-sheltered annuity plan or TSA) is a retirement plan offered by public schools and certain charities. It's similar to a 401(k) plan maintained by a for-profit entity. Just as with a 401(k) plan, a 403(b) plan lets employees defer some of their salary into individual accounts. The deferred salary is generally not subject to federal or state income tax until it's distributed.

Pros and Cons:


- Flexibility in contributions
- Investment options are limited to those chosen by the employer (or Plan Administrator)
- May have high administrative costs
- Optional loans and hardship distributions add flexibility for employees

Information and Instructions on Participating in the District's 403(b) Plan

- Having a 403(b) account is completely optional and can be started any time whether you are eligible for a District matching contribution (match) or not.
- Much of the rules or guidelines around the 403(b) benefit are outlined in the Master Working Agreement in Article XVI. This includes information about eligibility, matching amounts, how much the employee can contribute, etc.
- Please note that a traditional 403(b) account is needed. The District cannot contribute to a Roth 403(b) account.
- **Your primary contacts for questions related to 403(b) are Kate Wesbur, Accounting Supervisor x5018 and Susan Bucci, Payroll Specialist, x5615.**
- The plan administrator is Aviben (aviben.com), or 763-689-0111

FPS 403(b) Plan Enrollment Instructions:

- The first step is to Identify a vendor from the approved list of financial services providers. [https://www.fridley.k12.mn.us/uploaded/Human_Resources/Benefits/403\(b\)_vendor_list.pdf](https://www.fridley.k12.mn.us/uploaded/Human_Resources/Benefits/403(b)_vendor_list.pdf). This list is found on the district website under the Employment Tab, then under Employee Forms.
- Set up your account with the vendor.
- Complete the Salary Reduction Form. This is found in the same place listed above. https://www.fridley.k12.mn.us/uploaded/Human_Resources/403b_Salary_Reduction_Agreement.pdf
- Submit the completed form to the payroll office in the district finance office.
- Watch your paystubs for deductions. Go to skyward and click on the Payroll Check History

button, then select the pay check you want to review by clicking on the arrow . Look under the Deduction Transactions to find the vendor name with whom you have your account and note the amount deducted from your pay. You may have to scroll up or down to see them all.

DEDUCTION TRANSACTIONS			BENEFIT TRANSACTIONS		
Search Check Stub Description			Search Check Stub Description		
View: Skyward Default Filter: Skyward Default			View: Skyward Default Filter: Skyward Default		
Deduction Code	Calculated Amount	Base Amount	Benefit Code	Calculated Amount	Base Amount
2Equ	144.00	3,618.18	2Equ	104.17	3,618.18

- If you are eligible for the district match, also, check your paystub on the Benefit Transactions side, again looking for your vender's name and make note of the amount. You can multiply the amount on either side by 24 paychecks (or 18 paychecks depending on which union contract applies to you) to verify your annual contribution and your annual matching amount.
- If you would like to make a change to your contribution at any time, complete the Salary Reduction Form again and submit to payroll.
- You may start/stop a 403(b) contribution at any time.
- Please review your contract language for matching amounts and the schedule.
- If you did not set up an account when you were first eligible, we cannot go backwards and amounts from previous years cannot be accumulated.
- If you would like to change financial services companies, you will need to work with your existing account rep and the new account rep to get funds rolled over.
- District staff cannot advise or make recommendations on contribution amounts or on the selection of a financial services vendor