

# SCHOOL DISTRICT NUMBER SIX

P.O. BOX 1259  
COLUMBIA FALLS, MONTANA 59912

Over the last several months, school districts in Flathead and Lincoln Counties have been discussing ways to improve our locally sponsored 403(b) and 457(b) Plans. These conversations have focused on ways to provide consistent local financial representative support, and improved employee education. As part of that due diligence, the group sent out a formal Request for Information to local financial representatives and other financial services that currently provide investment services to school districts.

After careful consideration, the school districts decided to join forces and establish a Multi-District Cooperative to offer, what we believe to be, vastly improved retirement plan services to our employees. Consequently, the Columbia Falls School District is pleased to announce its participation in the Northwest Montana Schools' Multi-District Cooperative 403(b) and 457(b) Plans effective October 1, 2018.

## Q. Who are the participating school districts?

The participating districts are: Cayuse Prairie School District, Columbia Falls School District, Eureka Public School District, Evergreen School District, Fair-Mont-Egan School District, Libby School District, Smith Valley School District, West Valley School District, and Whitefish School District.

## Q. Who are the approved investment providers and local financial representatives under the new programs?

Under the new programs, the investment providers and local representatives have committed to servicing the employees at each participating district – including on-site visits and conducting education programs. The **five (5)** allowable investment providers and local representatives are:

<b>403(b) Retirement Plan Approved Investment Providers and Local Financial Representatives</b>		
<b>Edward Jones</b> Pearl Galbraith 1874 Highway 93 North Kalispell, MT 59901 (406) 257 5854 Pearl.galbraith@edwardjones.com Investments through <b>ASPIRE</b> <b>Financial</b>	<b>Horace Mann Life Insurance Company</b> Scott Countryman 4 First Street East Suite 220 Kalispell, MT 59901 Scott.countryman@horacemann.com (406) 315 5701	<b>Thrivent Financial</b> Aaron Ells 18 Village Loop Kalispell, MT 59901 Aaron.ells@thrivent.com (406) 751 2323

<b>VALIC</b> Autumn Browning 1800 SW First Avenue, Suite # 420 Portland, OR 97201 Office: 503-276-1400 Cellular: 425-231-1553 Email: Autumn.Browning@valic.com	<b>Vanguard (Self-Service Option)</b> Vanguard Service Center c/o The Newport Group 800-569-4903	
<b>457(b) Deferred Compensation Plan Approved Investment Providers and Local Financial Representatives <sup>1</sup></b>		
Edward Jones Pearl Galbraith 1874 Highway 93 North Kalispell, MT 59901 (406) 257 5854 Pearl.galbraith@edwardjones.com Investments through ASPIRE Financial	Horace Mann Life Insurance Company Scott Countryman 4 First Street East Suite 220 Kalispell, MT 59901 Scott.countryman@horacemann.com (406) 315 5701	VALIC Autumn Browning 1800 SW First Avenue, Suite # 420 Portland, OR 97201 Office: 503-276-1400 Cellular: 425-231-1553 Email: Autumn.Browning@valic.com

**Q. What else is new?**

In addition to new investment providers, the Cooperative has retained the services of a third-party administrator, ADMIN Partners, to support the participating school districts with plan administration and participant compliance services. Additional information about ADMIN Partners, and the services it will provide to you as a plan participant, can be found at the end of the FAQ.

**Q. Who is eligible to participate in the 403(b) and 457(b) Plans?**

All W-2 employees can participate in either or both Plans by making voluntary elective deferral contributions. Contributing to a 403(b) or a 457(b) Plan helps ensure that you have money to provide for yourself and your family during retirement. You make contributions to the Plan by payroll deduction.

**Q. What are some benefits of contributing to a 403(b) or 457(b) Plan?**

If you choose to make pre-tax deferral contributions to the Plan, they are not taxed until you withdraw the funds. This means you are lowering your taxable income today and could possibly lower the amount of income tax you pay on those funds at the time of withdraw. Your pre-tax contributions and earnings grow tax-free until they are withdrawn from the Plan.

If you chose to make Roth contributions to the Plan, the amount contributed to a designated Roth account is includible in gross income in the year of the contribution, but eligible distributions from the account (including earnings) are generally tax-free.

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<sup>1</sup> Thrivent Financial and Vanguard do not offer 457(b) investment vehicles at this time.

**Q. How can I learn more about the new investment providers and investment offerings?**

You can contact any of the local financial representatives, or in the case of Vanguard, call their service center to learn more about their investment offerings. In addition, the Cooperative will be sponsoring Retirement Fairs in the fall to introduce the Plan's local representatives to interested employees. Information concerning the times and locations for the retirement fair will be communicated in the next few weeks.

**Q. If I am contributing to one of the approved providers today in our locally sponsored 403(b) or 457(b) plan, do I need to take any action?**

No. If you are currently contributing to one of the approved providers in the Multi-District Cooperative Plan, your contributions will continue to be made to that provider unless you indicate otherwise.

**Q. If I am contributing to an investment provider in our locally sponsored 403(b) or 457(b) plan that is not an approved provider in the Multi-District Cooperative Plan, what happens?**

If you are currently contributing to an investment provider that is not on the Multi-District approved list, your contributions will stop after the September pay period.

If you wish to contribute to one of the new investment providers, you must complete an enrollment application with the provider you choose, along with a Salary Reduction Agreement indicating the amount of your contribution. The enrollment application is submitted to the investment provider, and the signed Salary Reduction Agreement must be provided to your Payroll Office.

The enrollment applications can be obtained from the local representative, at the upcoming Retirement Fair, or for Vanguard, by calling the service center. Salary Reduction Agreements can be obtained from the Payroll Office or by going to the Plan's third-party administrator website: <http://youradminpartners.com>. Click on Forms located on the top menu bar and scroll down to the Salary Reduction Agreement (w/o 15 year catch-up).

**Q. I have a 403(b) annuity contract or mutual fund account with an investment provider that is not on the Multi-District approved list. What happens with that contract/account? What options do I have available to me?**

As part of the change to the Multi-District Cooperative Plans, each district's locally sponsored 403(b) and/or 457(b) Plan has been merged into the Multi-District Plans, and therefore, those contracts and accounts are covered under the terms of the Multi-District plan documents.

If you have a 403(b) contract or account with an investment provider that is not on the Multi-District approved list, it is totally up to you, what you do. There are two options.

- (1) You can do nothing and leave the funds with your current provider, or
- (2) You can authorize a contract exchange and transfer your current contract or account to any of the new Multi-District investment providers.

If you have a 457(b) contract or account with an investment provider that is not on the Multi-District approved list, you can:

- (1) Do nothing and leave the funds with your current provider, or
- (2) Possible transfer your current contract or account to any of the new Multi-District investment providers; your ability to do so is dictated by the terms of your investment contract. ADMIN Partners will help you determine if this option is available to you.

***Important Note:*** *The Northwest Montana Schools' Multi-District Cooperative or the school districts participating in the Cooperative, do not provide tax, legal or investment advice. All investment decisions are personal; it is your responsibility to determine what investment offering(s) best meet your financial goals and objectives. Consequently, before taking any action, we strongly recommend that you discuss these matters with your investment provider, financial advisor, tax or legal representative.*

**Q. Can I withdraw amounts from the Plan before I retire?**

Since the primary purpose of the Plans are to provide you with a means to build retirement income for your post-employment years, you may generally not withdraw amounts from the Plan before your termination of employment, retirement or death, whichever occurs earliest. The Plan 403(b) plan permits in-service withdrawals at age 59 ½ subject to the terms and conditions of your annuity contracts and/or custodial accounts in which your funds are invested. The Plans also permit loans and withdraws due to financial hardship if you qualify.

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

You are welcome to contact any of the Plan's local financial representatives with respect to questions about investment opportunities. You can also contact your Business Manager, Payroll or Human Resources Office or the Plan's third party administrator, ADMIN Partners at 877-484-4400.