

ROBERTSON COUNTY SCHOOLS - 403(b) PLAN

What is a 403(b)?

The 403(b) is a tax deferred retirement plan available to employees of educational institutions and certain non-profit organizations. Contributions and investment earnings grow tax deferred until withdrawal (assumed to be at retirement); at which time they are taxed as ordinary income. Robertson County School System 403(b) plans are set up through Ameriprise Financial Services, Inc.

Financial Advisors:

Ameriprise Financial Services, Inc.
2127 Memorial Boulevard, Suite A
Springfield, TN 37172 615-384-5066
Advisors: Mark Pinkleton, Don Morgan, Odis Swallows, Jr.

Why Contribute to a 403(b)?

1. To supplement your retirement – most employees are provided with a defined benefit pension plan through the Tennessee Consolidated Retirement System (TCRS). However, 403(b) plans can provide a supplement to such plan.
2. Lower Taxes – 403(b) contributions are made on a pre-tax basis which can greatly reduce your taxable income. All dividends, interest and capital gains accumulate on a tax-deferred basis. This means your earnings will grow without being taxed until time of withdrawal.

How does a 403(b) plan work?

Money is set aside for retirement on a pre-tax basis through a salary reduction agreement with Robertson County Schools. You choose from among the investment options provided by the Ameriprise Financial. You will meet with an advisor who will review the investment options which are available to you. At this time, you will determine the appropriate amount of money that will be deducted from your paycheck. You will sign a payroll deduction agreement. The Finance Office will ensure that your payroll deduction is taken each period.

Can I leave my money in the plan indefinitely?

No. Generally you must begin to take withdrawals no later than April 1 of the year following the year in which you turn 70 ½. (Calculations are based on IRS Guidelines).

How will distributions from my 403(b) be taxed?

In most cases, the payments you receive, or that are made available to you from a 403(b) are fully taxable as ordinary income.

How much can I contribute annually?

The elective deferral limit for 2009 is \$16,500 annually, if you are 50 or older, you may contribute an additional \$5,500.

What investment options are available to participants?

A variety of investments are available to you through Ameriprise Financial Services. Your financial consultant will be able to review the different options for you.