

Addison Central School District

Notice of Eligibility for 403(b) Plan Salary Deferral

The Addison Central School District 403(b) Plan offers employees the opportunity to participate in a pre-tax, or after tax, salary deferral 403(b) arrangement (also known as a tax-deferred annuity or tax-sheltered annuity). **All employees are eligible to participate except employees who work fewer than 20 hours per week (1,000 hours per year), employees who wish to defer less than \$200 annually and students performing certain services and are not subject to Social Security taxes (as described in IRC 3121(b)(10))**

In order to participate, you will need to select an investment company or insurance company for investment of your salary deferral contributions. The School District currently remits contributions by its employees to the firms which are itemized on the attached list. If you would like to establish a 403(b) arrangement, you will need to contact one of the investment firms on that list and then complete the Salary Deferral Election Form on Page 3 and 4.

There are several things you should know about this arrangement - about our role and about your responsibilities.

Our role: is to withhold your elected amount of salary from your paycheck each payroll and to remit it as soon as possible following payroll to the investment fund you select. Some employees may be eligible for an employer contribution which will be also be contributed to the investment fund(s) you have selected.

Your role: is to select the investment funds which you wish to utilize, without any influence from us. Only certain types of investments are allowed as 403(b) investments; these are, generally, non-transferable annuities and mutual funds.

If you elect to contribute an amount which exceeds the basic contribution limit by law for the year (i.e., if you wish to utilize the “Age 50 or older catch-up” contribution), it is your responsibility to determine the amount of catch-up for which you are eligible.

You should monitor your account to ensure that salary deferral amounts are received and credited to your account.

If you participate in a 403(b) arrangement through Addison Central School District 403(b) Plan and another employer’s 403(b) or 401(k) plan, it is your responsibility to ensure that your contributions do not exceed the maximum contribution limitations for the year. You have until April 1st following the end of the year to notify us if your deferrals exceed the legal limit for the year.

Any withdrawals from your 403(b) account are subject to the terms of our Plan Document and must be approved by the School District. Contact Gail Leach, at the School District’s office in Middlebury for additional information and or approvals.

Phone: (802) 382-1281 **E-mail:** gleach@acsdvt.us

Your Election Not to Participate: whether or not you elect to participate in a salary deferral contribution, we ask that you acknowledge your receipt of this information by completing the information on Page 3 and returning that page to the Payroll Office (*this is mandatory*).

Mail: Attn : Gail Leach, 49 Charles Avenue, Middlebury, VT 05753 Fax: (802) 388-0024

Changing Your Election: you may change the amount of your salary deferral any pay period by providing advance written notice to the payroll department.

Addison Central School District 403(b) Arrangement Investment Providers

Investment Providers are limited to the following:

AIG/Valic

American Funds*

Fidelity

Horace Mann

Franklin Templeton**

Oppenheimer

TIAA Cref

Ameriprise

*American Funds **will not** allow Roth contributions, loans or hardship withdrawals

** Franklin Templeton **will not** allow Roth contributions or loans

ADDISON CENTRAL SCHOOL DISTRICT

Acknowledgement of Eligibility and Salary Deferral Election Form 403(b) Salary Reduction Agreement

Complete this form, sign it and submit it to Gail Leach at the Payroll Office, to authorize or change salary reduction contributions to your 403(b) account. **Return this form to the Payroll Office in Middlebury.**

All employees must complete this form whether or not you elect to participate

- A. I elect to participate in the Addison Central School District 403(b) Plan effective _____, please complete Sections 1, 2 and 3 below.**

1. Employee Information:

Employee Name: _____
(Print Name)

Social Security Number:

- B. I elect NOT to participate in the Addison Central School District 403(b) Plan effective _____, please complete Sec. 3 below.**

2. Contribution Information:

My 403(b) account is held with:

I have completed an enrollment form with the vendor selected from the list of Investment Providers offered under this Plan. Please reduce the salary I receive by _____ (amount or percentage) each pay period with a catch up contribution of _____ each pay period and contribute that amount to my 403(b) account:

Regular 403(b) deferrals (pre-tax). All of my deferrals as Regular 403(b) deferrals. I understand the amount of deferrals I have elected in this Salary Reduction Agreement will reduce my current compensation which is includible in income for the taxable year of the deferral.

Roth 403(b) deferrals (after-tax). All of my deferrals as Roth 403(b) deferrals. I understand the amount of deferrals I have elected in this Salary Reduction Agreement will NOT reduce my current compensation which is includible in income and that my deferrals will be includible in income for the taxable year of the deferral. **(American Finds and Franklin Templeton will not accept Roth salary deferral contributions)**

Split deferral election. A portion of my deferrals as Regular 403(b) deferrals and a portion of my deferrals as Roth 403(b) deferrals, as follows (*if you check the "Split deferral election" box, check 1 and only 1 of the 2 boxes below, and complete both blank lines under the checked box*), **American Finds and Franklin Templeton will not accept Roth salary deferral contributions:**

_____% of my compensation as Regular 403(b) deferrals, AND _____% of my compensation as Roth 403(b) deferrals. **OR**

\$_____ as Regular 403(b) deferrals, AND \$_____ as Roth 403(b) deferrals.

3. Signature – **All employees must sign below**

As the employee, I understand that:

- a. This Agreement will take effect with the next payroll following receipt of this Agreement (a minimum of 7 business days prior to the next pay date);
- b. This Agreement will be renewed automatically each January 1 unless my employer and I agree, in writing, to amend this Agreement;
- c. I can terminate this Agreement, in writing, at any time with respect to compensation I have not yet earned; and
- d. I may change this Agreement, in writing, at any time with respect to compensation I have not yet earned.

Employee Signature

Date

Employer Signature

Date

Please return this form, pages 3 and 4, to Gail Leach at the Payroll office:

Addison Central School District
Charles Avenue
Middlebury, VT 05753
(802) 382-1281