



Scott C. Klein, CFP®
Senior Partner

Dear Employee

With the new school year upon us, it is time to get back to business and start thinking about an important, yet often overlooked piece of your benefits package. Many employees have heard of a 403(b) plan, but few know what it is. Section 403(b) of the Internal Revenue Code provides a way for any district employee to defer a portion of their salary into a retirement account on a pre-tax basis.

There are generally three basic reasons employees use a 403(b) plan:

1. Tax Breaks:

- No federal taxation on contributions or any earnings; taxation is deferred until amounts are withdrawn or distributed*
- Tax-deferred growth potential
- Tax-deferred access using loan provisions provided in the plan
- Similar to a 401(k) plan, but for public school employees
- If eligible, in 2023 you can contribute up to \$22,500. Eligible employees may be able to contribute more using catch-up contribution

2. Automatic Savings:

- Convenient payroll deduction
- Federal pre-tax basis contributions
- An easy way to save

3. Supplement Your Retirement:

Generally, many people may live 20 or 30 years in retirement, you should consider a supplement to existing plans:

- Teacher's Pension and Annuity Fund

You can start a 403(b) plan with as little as \$20 pre-tax dollars a paycheck. It's an easy way to work toward a better retirement. Financial Professionals will be available throughout the school year to help you get started.

For more information regarding this plan, call or schedule a meeting with me today!

Scott C. Klein, CFP®
CERTIFIED FINANCIAL PLANNER™
 (732) 452-7277 office / (732) 778-0898 cell
 sklein@tpsfinancial.com

Marc Goldfarb
Financial Consultant
 (732) 482-1352
 marc.goldfarb@equitable.com

Luke Britton
Financial Professional
 (732) 266-1420
 luke.britton@equitable.com

*Withdrawals are subject to normal income tax treatment and if made prior to age 59 ½.

Please be advised that this document is not intended as legal or tax advice. In addition, U.S. Treasury Regulations require us to inform you that any tax information provided in this document is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. The tax information was written to support the promotion or marketing of the transaction(s) or matter(s) addressed and you should seek advice based on your particular circumstances from an independent tax advisor.



9 North Main Street | Hobart House
 Marlboro, NJ 07746
 Tel: 732.452.7277 Cell: 732.778.0898 Fax: 678.365.2026
 sklein@tpsfinancial.com