



**Spaulding High School
Barre City Elementary and Middle School
Barre Town Middle and Elementary School**

Chris Hennessey, M.Ed.
Superintendent of Schools

A rock solid education for a lifetime of discovery.

120 Ayers Street, Barre, VT 05641
Phone: 802-476-5011
Fax: 802-476-4944 or 802-477-1132
Website: www.buusd.org

403(b) Locations

Barre:

David Gold 802-476-2790

322 N Main St Ste 3 Barre, VT

Hans Asoera/Keith LaCroix 802-476-6200

219 N Main St Ste 102 Barre, VT

David Babic 802-476-2398

236 S Main St Barre, VT

Montpelier:

Martin Thomas 802-223-7412

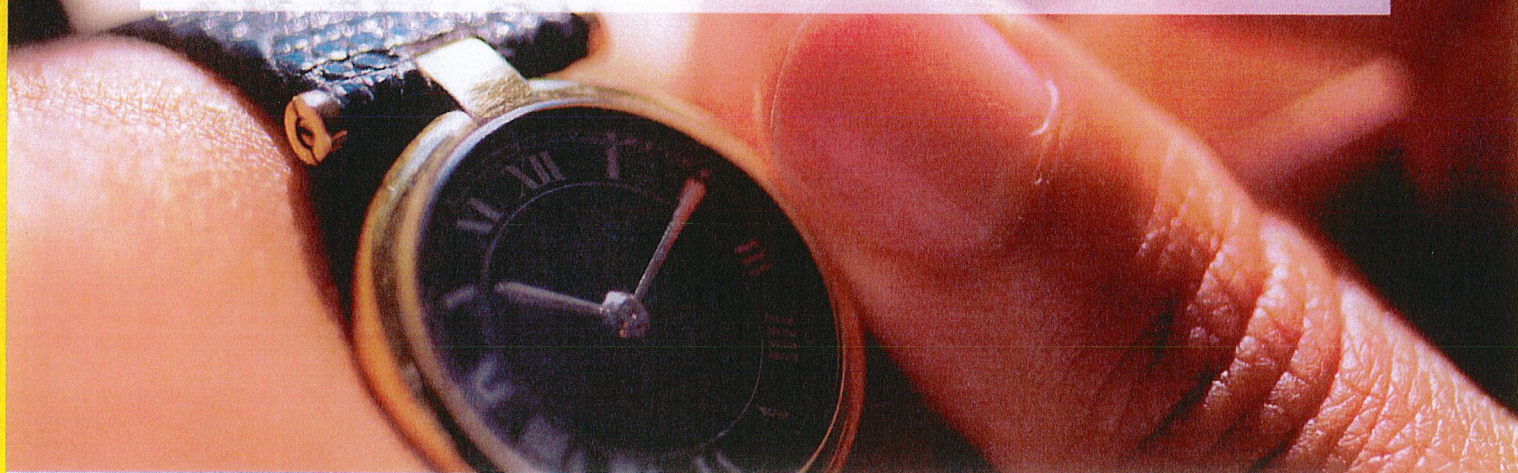
1 Blanchard Ct Ste 202 Montpelier, VT

Rebecca Teece 802-223-1617

89 Main City Center Ste 10 Montpelier, VT

You can also go to www.edwardjoines.com to look up an office anywhere in VT.

An Hour of Your Time May Be Worth More Than You Think



Schedule your retirement review today.

It's been said that we spend more time planning vacations than planning for retirement. Schedule your retirement review so you can understand:

- How much you'll need to retire
- If you are on track for your retirement goals
- Which IRA is right for your retirement needs - Roth or traditional
- The importance of asset allocation and how it can help as you work toward your long-term goals

Let's set aside some time to make sure you are on track for the retirement you have envisioned.



David Gold
Financial Advisor
322 N Main St Suite 3
Barre, VT 05641
802-476-2790

www.edwardjones.com
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Edward Jones
MAKING SENSE OF INVESTING

403(b) Plans

A 403(b) plan is a salary deferral retirement savings plan available to employees of public schools or tax-exempt 501(c)(3) organizations.

These schools and organizations include:

- Elementary and secondary schools
- Nonprofit hospitals and health care agencies
- Colleges and universities
- Charities and religious organizations

Types of 403(b) Plans

Two types of plans are available:

ERISA - (Employee Retirement Income Security Act) - Most 501(c)(3) nonprofit organizations, with the exception of religious organizations and certain qualified church-controlled organizations, are subject to ERISA. They require annual IRS Form 5500 filings and are subject to ERISA nondiscrimination testing requirements, with the exception of the Average Deferral Percentage (ADP) test and the top-heavy test. ERISA 403(b) plans with 100 or more eligible employees also require an independent audit.

Non-ERISA - These plans are salary deferral agreements between individuals and plan providers. No IRS Form 5500 filing or discrimination testing is required. Only public education institutions, governmental nonprofit organizations and religious organizations can offer non-ERISA plans, as they are exempt from ERISA.

Features of 403(b) Plans

Investment Options	You may invest assets in either annuities or mutual funds.		
2017 Contributions	Salary deferral limits are the lesser of 100% of compensation or \$18,000. Total employee and employer 403(b) contributions cannot exceed the lesser of 100% of your eligible compensation or \$54,000 (2017), unless you're over age 50; then your total contributions cannot exceed \$60,000 ¹ (2017).	Salary Deferral Limit	\$18,000*
		Catch-up Contribution	\$6,000*
		TOTAL	\$24,000*
Calculating Contributions	If you meet specific requirements, it is possible you may be eligible for additional 403(b) catch-up contributions.		
Catch-up Contributions	The 403(b) offers a \$6,000 catch-up contribution if you are age 50 or older in 2017. If you have 15 or more years of service with a qualified organization, you also may be eligible for an additional \$3,000 catch-up contribution. ² If you're age 50 or older, this could result in a total salary deferral of \$27,000 in 2017.		
Roth Contributions	If the employer allows, employees may choose to make pretax or after-tax (Roth) salary deferral contributions.		

¹ The compensation set aside for the pretax 403(b) is not included in the individual's gross income for the year. The 403(b) salary deferral amount is subject to Social Security taxes (FICA and Medicare), unless the individual is exempt from Social Security taxes.

² Qualified organizations include health care, education and religious.

*Indexed annually for cost of living

Features of 403(b) Plans

Distributions	<p>A distribution may be made if you meet one of the following conditions:</p> <ul style="list-style-type: none"> • Separation from service • Age 59½ • Death • Disability • Financial hardship (if the plan permits) • Plan termination • Qualified Domestic Relations Order (QDRO)
Penalties	<p>If you receive a distribution before age 59½, it is subject to a 10% early withdrawal penalty in addition to ordinary income tax, unless certain exceptions apply. If you separate from service the year you turn 55 or older, you can receive distributions directly from the plan and avoid the 10% penalty; however, a mandatory 20% withholding applies. You also will owe ordinary income taxes on the distribution.</p>
Penalty Exceptions	<p>The following are exempt from the 10% penalty when a distribution is made:</p> <ul style="list-style-type: none"> • Death • Disability • Separation from service in the year you turn age 55 or older • Substantial equal periodic payments • QDRO • Rollover to a traditional IRA <p>Once you are eligible for a distribution, you may make a direct rollover to a traditional IRA.</p>
Required Minimum Distributions	<p>Generally, required minimum distributions (RMDs) must begin at age 70½. However, the plan may state that you wait until the year when you turn age 70½ or the year you separate from service with the employer sponsoring your plan.</p> <p>There is an exception to this rule. If your pre-1987 account value has been separately tracked by the vendor, the account holder can delay RMDs until age 75 or the date you leave the employer sponsoring your plan. Contributions made and all earnings credited after Dec. 31, 1986, must begin no later than the year you turn age 70½ or the year you terminate employment with the employer sponsoring your plan.</p>
Rollovers	<p>You can roll 403(b) assets to an IRA if you meet a triggering event, such as separation from service. If you receive a distribution of 403(b) assets, you may avoid the 20% mandatory withholding and taxes by rolling the 403(b) directly to an IRA. If you receive the distribution directly, you can still roll it to an IRA by depositing it within 60 calendar days.</p>
Rollover Exemptions	<ul style="list-style-type: none"> • RMDs • Substantially equal periodic payments made during your life expectancy or the joint life expectancy of you and the designated beneficiary • Payments made during a period of 10 or more years • Hardship distributions • Loans that are considered distributions

Edward Jones, its employees and financial advisors cannot provide tax or legal advice. Please consult your attorney or qualified tax advisor regarding your situation.



David Gold
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