

## Learn About 403(b) Tax Deferred Annuity Plans (TDAs)

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If you are employed by a public school or a 501(c)(3) tax-exempt organization, you may have an opportunity to participate in your employer-sponsored 403(b) tax deferred annuity retirement plan as an additional way to save toward retirement.

A 403(b) plan is an employer-sponsored plan. So, your employer determines who is eligible to participate in the 403(b) plan and identifies the investment providers available under the 403(b) plan.

Participating in a 403(b) plan offers many advantages:

- In general, you pay no federal income taxes on the money put into the plan or any earnings on that money until it is time to take withdrawals.
- If your employer's 403(b) plan permits, you may make after-tax Roth 403(b) contributions and, if IRS requirements are met, the earnings on these contributions you receive will not be subject to federal income taxes.

### **Not yet contributing to the 403(b) plan?**

To start your contributions to the 403(b) plan, complete and return a salary reduction agreement with the 'Plan with Ease' Administrator. To be eligible to contribute, you must be an employee of the district, eligible for benefits, and working 20 hours or more per week. Please note that in addition to completing and returning a salary reduction agreement, you must also establish an account with the appropriate investment provider(s) that you have selected on the salary reduction agreement and you may also need to provide any additional information that may be required to enroll you in the 403(b) plan.

### **Already contributing to the 403(b) plan? Great news! You have an opportunity to increase your contributions to the 403(b) Plan.**

If you are already currently contributing to the 403(b) plan, you may be able to increase your pre-tax contributions. To change your contributions, complete and return a salary reduction agreement to the 'Plan with Ease' Administrator. Of course, you can keep your contributions at their current level. In the alternative, if your current financial situation means that you need to lower your savings for retirement, you can change your contribution rate by completing and returning a salary reduction agreement as described above.

### **How much can I contribute?**

In general, you may contribute up to \$23,500 in 2025. This amount may be adjusted annually. Also, if you are at least 50 years old and/or you have completed at least 15 years of service, you may also be able to make additional catch-up contributions. Each catch-up has its own limits.

### **When can I take distributions?**

While your plan will determine when you can take distributions, IRS rules allow you to access amounts you have contributed to your 403(b) plan when you have a severance from employment, become disabled, have a hardship or reach age 59½. If your plan permits employer contributions, your plan will indicate whether these amounts can be withdrawn under the same rules or whether different reasons will apply. Your beneficiary may take a distribution of your account upon your death. Since your employer's 403(b) plan may not permit certain types of distributions, be sure to check with your employer about specific reasons for distribution permitted under your plan.

Distributions from your 403(b) plan before you reach age 59½ are generally subject to an IRS 10% premature distribution penalty tax, unless an IRS exception applies.

Once you are retired, IRS rules require you to begin taking distributions from your 403(b) plan by April 1 of the calendar year following the calendar year in which you are at least age 70½.

Your distribution from the 403(b) plan can be paid in an option available under the investment provider's product. In the alternative, to the extent permitted under IRS rules, you can roll over the eligible portion of your distribution to an IRA or a 401(a), 401(k), another 403(b) or a governmental 457(b) plan that accepts rollovers.

If your 403(b) plan permits, you may be eligible to take a loan from your account balance.

*This Notice is not intended as tax or legal advice. Neither your employer nor the investment providers offering retirement savings products under the plan can provide you with tax or legal advice. Employees are encouraged to contact their financial representative or tax professional with any questions*

### **North Middlesex Regional School District 403 b Plan Providers**

AIG (VALIC)	800-448-2542
Ameriprise	800-862-7919
ASpire	866-634-5873
Equitable	800-628-6673
Horace Mann	800-999-1030
Lincoln Investment Planning	800-242-1421
Mass Mutual Life	800-272-2216
Met Life	800-638-5433 Metlife FL 800-560-5001 Fascore 800-543-2520
Midland National	800-923-3223
Voya - ReliaStar	800-584-6001