

Universal Availability Notice for 403(b) and 457(b) Plans

Independent School District 196, Rosemount - Apple Valley - Eagan Public Schools, (the "District") offers a 403(b)/457(b) plan (the "Plan") for eligible employees of the District. All employees are eligible to participate in the 403(b)/457(b) plan.

A 403(b) or 457(b) plan is a tax-deferred retirement program that permits an employee to reduce his or her compensation on a pre-tax basis and have the contribution deposited into a 403(b) and/or 457(b) account that the employee sets up with a 403(b)/457(b) vendor. Amounts deposited into a 403(b)/457(b) account and any earnings on those contributions are generally not taxed until the employee makes a withdrawal from his or her account following separation from service with the District.

A **Roth 403(b) option** is also available. With a Roth 403(b) employee contributions are made on an after-tax basis but earnings grow tax deferred until the employee makes a withdrawal. Note: if electing the Roth 403(b) for matching plan participation, the employer matching contribution will continue to be made on a pre-tax basis into a regular 403(b) account, only the employee's contribution can be made into a Roth 403(b).

To enroll in the plan, an employee must complete the District's salary reduction agreement form and the vendor's enrollment form. Employees may get the necessary forms and/or contact information at www.district196.org/benefits. The contribution amount the employee designates in the salary reduction agreement form will continue unless it is modified or revoked in the future.

The District allows employees to start or stop their contribution, increase or decrease their contribution, or change from one authorized 403(b)/457(b) vendor to another upon request at the next available pay date (or as soon as administratively feasible as special rules apply to summer paychecks for 10 month contracted employees).

The contributions limit, set annually by the IRS, is \$23,500 for 2025. Employees age 50 or older (by the end of the year) may contribute up to an additional \$7,500 for a total of \$31,000. *Beginning in 2025, participants aged 60-63 can make "super" catch-up contributions, which are 50% more than regular catch-up contributions. For those who qualify this increases the regular catch-up to \$11,250.*

The District maintains a list of approved 403(b) and 457(b) vendors, as listed below, and information for each vendor can be found at www.district196.org/benefits. Employees must establish an account with one of these approved vendors before submitting a salary reduction agreement to start their pre-tax contributions.

<u>Vendor</u>	<u>Plan Type(s)</u>
MetLife	403(b), Roth 403(b) and 457(b)
Fidelity	403(b) and Roth 403(b)
Minnesota Deferred Compensation Plan	457(b)

If you have questions regarding this notice, please contact Anita Toth in Human Resources at 651-423-7768. IRS Publication 571 (Tax Sheltered Annuity Programs for Employees of Public Schools) is available at www.irs.gov for further information and reference.

You cannot participate in the Matching Contribution Plan until you meet the eligibility requirements for your employee group. The district will notify employees eligible for the matching plan, who are not currently participating in the plan, during a matching plan open enrollment period each year in May/June.

Disclosure to employees: *The District has no liability for any employee's election to participate in the 403(b) or 457(b) plan, employee's choice of vendor(s), or expected tax consequences resulting from participating in the 403(b) and/or 457(b) plan. The District does not provide tax, legal or investment advice and recommends that employees seek advice from professionals who specialize in these areas.*