

## **Frequently Asked Questions 403(b), Roth 403(b) and 457 Deferred Compensation Plan**

### **What are Traditional 403(b) and 457(b) plan?**

Upon enrollment, participants designate a portion of their salary that they wish to contribute to their traditional 403(b) and/or 457(b) account(s) up to their maximum annual contribution amount on a pre-tax basis, thus reducing the participant's taxable income. Contributions to the participant's 403(b) or 457(b) accounts are made from income paid through the employee's payroll system. Taxes on contributions and any earnings are deferred until the participant withdraws their funds. Unlike ASRS, the school district does not match the employee's contribution.

### **What is a Roth 403(b) plan?**

Contributions made to a Roth 403(b) account are after-tax deductions from your paycheck. Income taxes are not reduced by contributions you make to your account. All qualified distributions from Roth 403(b) accounts are tax-free. Any earnings on your deposits are not taxed as long as they remain in your account for five years from the date that your first Roth contribution was made. Distributions may be taken if you are 59-1/2 (subject to plan document provisions) or at separation from service. You will find more information at this link <https://www.irs.gov/retirement-plans/retirement-plans-faqs-on-designated-roth-accounts>

### **How much can be contributed to a 403(b), Roth 403(b) or 457 plan?**

For 2019, employees may contribute \$19,000 per calendar year. The limit normally changes annually.

### **Are there catch-up provisions?**

If you are age 50 or older in year 2018, you may contribute an additional \$6,000 above the 2019 elective deferral limit of \$19,000.

### **Can an employee contribute to a 403(b), Roth 403(b) and a 457 plan simultaneously?**

Yes. This means that employees with enough includable compensation can contribute the maximum elective-deferral limit including catch-up options to a 403(b), Roth 403(b) and a 457. Check with your financial representatives for more details.

### **Do I have to wait until the beginning of the year to sign up?**

There is no designated period to enroll in a tax deferred plan. There are 20 pay periods for contributions to be withheld per school year for employees who are not on a 12 month calendar. There are 26 pay periods for contributions to be withheld per school year for employees who are on a 12 month calendar.

### **Can I change or stop my contribution during the year?**

You are not restricted in the number of changes that you can make during the calendar year, however, you must submit a new Salary Reduction Agreement for each change.

### **Will a representative from the Payroll Department help calculate my contribution?**

No. Payroll serves as a vehicle to contribute your money into a tax deferred savings plan. You will need to discuss your options with a financial advisor to set up an account.

**How do I participate in a 403(b) retirement plan?**

To enroll in Chandler's 403(b) Retirement Plan, you first must select a company you wish to invest with and establish an account with that company.

**What 403(b) company's are available to CUSD employees?**

A list of authorized 403(b) providers can be found by visiting our website at

<http://www.tsacg.com/individual/plan-sponsor/arizona/chandler-unified-school-district-80/>

This website will be a direct link to our third party administrator's (TSACG) website.

**What do I need to do to have deductions taken from my check?**

You will need to fill out a "Salary Reduction Agreement" (SRA) form

<http://www.tsacg.com/individual/plan-sponsor/arizona/chandler-unified-school-district-80/>

You must return the completed SRA form to your Payroll Tech.

*Important- You MUST establish an account with your 403(b) company prior to the date you fill out and send the SRA forms to payroll. If the account has not been properly established, your contributions will be returned to you and will be taxed. Verifying that your account has been established before submitting the SRA will expedite the process and help to avoid having funds returned to you.*

**What do I need to do to change or stop my 403(b)?**

You must fill out a Salary Reduction Agreement form to change your contribution amount, to stop your deduction, or to restart your deduction after a stop. Send the completed form to Payroll.

**What do I need to do to transfer or withdraw monies from a previous 403(b) account?**

First you will need to work with your original 403(b) provider, since each provider requires their own form to be submitted. After completing their forms and to acquire the signatures you need to complete your transaction, you will need to work with our Third Party Administrator (TPA). Distribution transactions may include any of the following: Loans, transfers/exchange, rollover, hardship withdrawals or cash distributions. All of these transactions will require a 'Transaction Routing Request' form. The 'Transaction Routing Request' form can be found at the TSACG's website

<http://www.tsacg.com/individual/plan-sponsor/arizona/chandler-unified-school-district-80/>

The form provides important information regarding your request and is vital to ensuring the proper process.

**How do I submit my Transaction Request?**

All transaction requests should be submitted to TSACG for processing via fax or mail.

[TSA Consulting Group, Inc.](#)

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**How do I talk directly to a customer service representative at TSA Consulting Group?**

The customer service number is 1-888-796-3786.