SOUTHINGTON PUBLIC SCHOOLS
TAX SHELTERED ANNUITY INFORMATION

What is a tax sheltered (deferred) annuity program?

A TSA (TDA) program, as defined in Section 403(b) of the Internal Revenue Code, permits employees of public schools to accumulate additional retirement dollars on a tax-favored basis by setting dollars aside today out of their current earnings. Money deducted from an employee's pay and deposited in a TSA program is not included in reportable income, which leads to a reduction of the employee's current taxable income. Taxes are paid on the contribution when they are withdrawn as retirement income or in a lump sum. Ideally, withdrawal occurs after retirement (typically age 65) when the annuitant is in a lower tax bracket and entitled, under current tax laws, to double a personal exemption.

Which companies are available to set up a TSA account?

Listings of the current authorized companies are listed on the attached page. The Southington Board of Education does not endorse or arrange TSA programs for employees; it simply makes the necessary payroll deductions and deposits as arranged and requested by the employee. The employee must submit a signed Southington Public Schools Salary Reduction Agreement before any deductions can be made. The deductions are made from 20 pay periods annually.

Who is eligible?

All employees of Southington Public Schools and Southington School Lunch Program are eligible to participate in the TSA program.

How much can be contributed?

Contributions are generally limited to up to 20% of salary, not to exceed $24,500.00 annually for 2026. There are certain situations which allow for "catch-up provisions". You should consult your tax advisor for these limits and regulations.

When can a TSA be set up?

At any time during the year, effective with the first payday of a given month. The salary reduction agreement must be entered into before the reduced amounts are earned.

What may the funds be invested in?

1. **Annuities (Fixed or variable and individual or group)**
2. **Retirement income or endowment insurance policies**
3. **Custodial accounts invested in mutual funds**
4. **Combination of whole life insurance and annuities**

Who is the custodian of the assets?

Annuities and insurance are with an insurance company. Mutual funds are placed with a corporate trustee.

What are the penalties for early withdrawal?

There are no penalties before age 59 ½ if withdrawals are made due to:

1. **Death**
2. **Disability**
3. **Early retirement at age 55**
4. **Separation from service and election of life annuity or joint-survivor annuity option or if necessary to meet deductible medical expenses.**

In other cases, (e.g. financial hardship) a 10% penalty will be assessed for withdrawals prior to age 59 ½.

When is a distribution required?

Generally, the funds are withdrawn at retirement. In order to avoid penalties, withdrawals must begin by April 1 of the year following the calendar year during which the taxpayer became 70 ½ and, at a minimum, must be taken out over the life expectancy of the taxpayer and, if desired, his or her spouse.

For further information, contact Sharon Papallo at 860-628-3200 x10236.

SOUTHINGTON BOARD OF EDUCATION TAX SHELTER COMPANIES

403 B COMPANIES

****ALL ACCOUNTS MUST BE TIED TO SOUTHINGTON PUBLIC SCHOOLS****

Company Name:	Phone Number:	Plan #:	Website:
AMERICAN FUNDS*	800-421-4225	Group #186740410	www.capitalgroup.com
AMERIPRISE FINANCIAL	800-297-2012		www.ameriprise.com
CITISTREET	860-690-7549		
EQUITABLE (FORMERLY AXA)	203-937-2438		
FIDELITY INVESTMENTS	800-343-3548	55895	www.fidelity.com
FRANKLIN TEMPLETON	800-527-2020		www.franklintempleton.com
METLIFE/BRIGHTHOUSE FINANCIAL	860-690-7549	1014942	
PENSERV PLAN SERVICES (FORMERLY FORESTERS FINANCIAL)	800-423-4026	0370024	www.foresters.com
VANGUARD	800-569-4903	V10085995	https://investor.vanguard.com/403b-plans/participant
VOYA FINANCIAL (FORMERLY ING)	860-580-1678	VFQ417 Verification Code: 018451	
IVY FUNDS (FORMERLY WADDELL AND REED)	888-923-3355		www.waddell.com

457 DEFERRED COMPENSATION

Company Name:	Phone Number:	Website:
Voya Financial	860-580-1678 (Steven Moretta)	Steven.moretta@voyafa.com

*This company does not work with our Third Party Administrator, PlanWithEase. Please contact them directly regarding financial hardships or loans.

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