

403b/457b Retirement Plans

We are excited to offer this valuable benefit to our employees and encourage everyone to participate. National Benefit Services is our third party vendor for our 403b/457b retirement plans. Below are reminders and benefits.

- Contributions to the plan are tax deductible meaning that you do not pay taxes on contributions made to the plan. This also reduces income tax expenses and may very well reduce your tax bracket. Taxes will be paid on the funds when taken from the account at retirement.
- Roth contributions can be made, but taxes are paid at the time of contribution. Account balances grow over time, and taxes are not paid on the contributions, nor on the interest earned on the account once it is taken out.
- Loans or hardship withdrawals can be taken from the account if certain circumstances are met. This will slow the path to retirement but can provide financial relief in a time of need.
- Contribution limits are much higher at \$18,000 than the limits in IRAs (\$5,500).

In order to establish a **NEW 403(b)/457b** and begin contributions follow the steps below:

- Determine which company you would like to invest your contributions with. A list of approved vendors can be found by accessing the NBS website:
<http://www.nbsbenefits.com/non-erisa-403b-forms/>
- **Contact the vendor of your choosing directly to obtain and submit all necessary paperwork to open the account.**
- Complete a **Salary Reduction Agreement** and submit to National Benefit Services via mail or fax.
- After you have established your plan, you can manage it through National Benefit Services. National Benefits Services (NBS will manages the 403b and 457b accounts as of 10/1/17)
- 403(b) STRS Compare Website