

Minooka CCSD # 201 403(b) Benefit Plan Overview

The district has selected The OMNI Group as our third party administrator for our 403(b) plans.

Notice to Eligible Employees of Opportunity to Make Elective Deferrals to the Minooka CCSD #201 403(b) Plan

Eligible Employees:

You have the right to make elective deferrals to the Minooka School District 201 403(b) Plan. **Except:** Employees working less than 20 hours on average per week and Students. Contributing to a 403(b) plan helps to ensure that you will have funds to provide yourself with an income during retirement. A 403(b) plan allows you to contribute a portion of your compensation on a pre-tax basis in order to save for your retirement. Contributions are made to the plan by payroll deduction. If you are already contributing to the 403(b) Plan, you may want to increase your deduction.

What are the benefits of contributing to a 403(b) plan?

- The pre-tax elective deferrals that you make to the plan now are not taxed until you withdraw them. This means you are lowering your taxable income now, and will potentially lower the amount of income tax you will pay on those funds at the time of withdrawal when you may be in a lower tax bracket.
- Both your pre-tax elective deferrals and earnings grow tax-free until they are withdrawn.

What do I need to do in order to start making elective deferrals? *All 403(b) Enrollments must go through the Business Office.

You will need to make an election regarding how much of your compensation you wish to defer to the 403(b) plan. You will also need to determine where you want to invest your contributions. The list of approved vendor(s) and their contact information can be located on our website www.min201.org. Contact an approved vendor, through an Investment advisor of your choice, to set up your account with them. All employees must download and complete a **403(b) Salary Reduction Agreement Form** and once completed forward the form to the **Business Office** in order to get your 403(b) started. These forms are available on our website under District, select Business Office, and then "403B Benefit Plan Overview."

How much can I contribute to a 403(b) plan?

In 2018, you can make elective deferrals up to \$18,500. As this amount is subject to cost of living increases as set by the government, this amount will increase over time. If you will be age 50 or older sometime during the 2018 calendar year, you are eligible to contribute an additional amount that is known as an "age 50 catch-up contribution". The limit on the age 50 catch-up contribution is \$6,000 and can be contributed on top of the deferral limit of \$18,500. Consequently, participants eligible to make the age 50 catch-up contributions can contribute up to \$24,500 to the 403(b) Plan for the 2018 calendar year.

In addition to the age 50 catch-up, if you have completed at least 15 years of service with Minooka School District 201 you may be entitled to contribute up to an additional \$3,000 a year above their age-based limit, potentially increasing the limit to \$27,500 for a participant utilizing both the age based and full amount of the service based catch-up provisions.

If you expect to make or receive a non-elective/employer contribution in 2018, please note that the 415(c) limit has increased from last year's limit of \$54,000 to \$55,000, permitting employers to contribute up to \$55,000 to an employee's 403(b) plan. Recipients of non-elective contributions aged 50 and up will retain the opportunity to utilize the age based catch-up beyond the 415(c) limitation, allowing for a "combined maximum" of \$61,000 in 2018. Please note that the amount of non-elective employer contributions is reduced by employee elective deferrals.

How often can I make changes to my 403(b)? *All 403(b) Contribution or Vendor changes must go through the Business Office.

Participants are allowed one **dollar** amount change annually. A participant may make vendor changes at any time. These changes are made by completing the **403(b) Salary Reduction Agreement Form**, with the new amount or vendor information. Once completed forward the form to the **Business Office**.

Are 403(b) Roth contributions allowed?

Yes, as of 2016 403(b) Roth Contributions are allowed.

Are there any distribution restrictions?

Contributions may not be distributed before employee's attainment of age 59 ½, severance of employment, death, or disability.

Does the plan allow for hardship withdrawals?

Hardship withdrawals shall be permitted under the plan. Taking a hardship withdrawal is an option available to you should it be necessary for you to withdraw funds from your 403(b) plan prematurely in the event of certain immediate and heavy financial needs. However, certain income taxes and tax penalties may apply depending on the situation. To request a Hardship withdrawal the form must be completed online with The Omni Group at www.omni403b.com. They also may be contacted by phone toll free at (877) 544-6664.

Are participant loans permitted?

No loans are permitted under the plan.

Are contract exchanges and transfers allowed?

Exchanges between approved 403(b) vendors on our plan list are allowed. In-service Transfer to Governmental Defined Benefit Plan to buy service credits is permitted if allowed under annuity contract or custodial account and governmental defined benefit plan allows receipt of such transfer. To request a Contract Exchange or Transfer the form must be completed online with The Omni Group at www.omni403b.com. They also may be contacted by phone toll free at (877) 544-6664.

Are Rollovers permitted?

Rollover contributions in from a prior employer's retirement plan are permitted into the Plan. To request a Rollover contact our third party administrator The Omni Group toll free at (877) 544-6664. Their Business hours are 7:30 A.M. to 8:00 P.M. (EST)

If you have any questions concerning contribution limits, or any other 403(b) matter, please contact OMNI at (877) 544-6664.

For more information on enrolling in your 403(b) Plan, making changes to your current deferral or vendor elections, or any other questions or requests for information, please contact Colleen Bogart in the Business Office at (815) 467-2588 from 8:00 a.m. to 4:00 p.m. Monday through Friday. You can also send me an e-mail to cbogart@min201.org