

# EMPLOYEE Retirement Savings Newsletter 2010-2011

Provided by your employer and First Financial Administrators, Inc.

## WELCOME TO THE NEW SCHOOL YEAR!

We have exciting news! This year, we are pleased to announce that all employees are eligible to participate in **403(b)**, a supplemental retirement option, to help plan for your financial future. Please take some time to review the following information about how a **403(b)** plan can enhance your financial planning and how you can start contributing to a retirement fund.

### WHAT IS A 403(B) RETIREMENT PLAN?

It is a retirement plan that allows contributions and investment earnings to grow tax deferred until withdrawal.

### WHY CONTRIBUTE TO A 403(B) RETIREMENT PLAN?

- » Reduce taxable income
- » Save for retirement
- » Contributions and earnings grow tax-deferred

### WANT TO START A 403(B) ACCOUNT? HERE'S HOW:

Select a vendor that is available under your employer plan. A list of available vendors can be found on our website at <http://www.ffga.com/403b/403bmain.aspx>  
Contact an agent or financial advisor.

Be aware that your agent must have completed the enrollment on our website prior to submitting a Salary Reduction Agreement form. Agent enrollment and the Salary Reduction Agreement forms can be found at [www.ffga.com](http://www.ffga.com).

**Do you need an agent?** Find one at [www.ffga.com/403b/zipsearch.aspx](http://www.ffga.com/403b/zipsearch.aspx)

**Complete a Salary Reduction Agreement (SRA) form and fax to (866) 265-4594 or mail to:**

First Financial Administrators, Inc.  
P.O. Box 670329  
Houston, TX 77267-0329

**Send vendor applications directly to the vendor.** (Do not sign a blank Salary Reduction Agreement and leave with your agent, as you are responsible for all information provided on the agreement).

Only our Salary Reduction Agreement form will be accepted to start and/or make any changes to your **403(b)** accounts. Remember, a First Financial Administrators, Inc. Salary Reduction Agreement must be

completed in order to increase, decrease, stop or restart your contributions.

Agent signatures are only required on new accounts. You are considered a new account if you are starting contributions to a new vendor or starting contributions with a new school.

Need due dates to have Salary Reduction Agreements processed in the allotted time? Go to [www.ffga.com/403b/403bmain.aspx](http://www.ffga.com/403b/403bmain.aspx)



#### Mailing Address

P.O. Box 670329  
Houston, TX 77267-0329

#### Physical Address

515 N. Sam Houston Pkwy East  
Houston, TX 77060

Phone: (281) 847-8422

Toll Free: (800) 523-8422

Fax: (866) 265-4594

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## TRANSFERRING TO A NEW SCHOOL DISTRICT AND WANT TO CONTINUE 403(B) CONTRIBUTIONS?

Contact your vendor and advise them that you have changed districts and your contributions will be submitted from your new employer. Your annuity vendor may require new enrollment paperwork.

Complete a Salary Reduction Agreement for the new school district. On the SRA, circle "new" because you are a new employee with the school district. Remember that the vendor must be an approved vendor with your new district/employer.

Take advantage of Savings Tax Credit (*Saver's Credit*) If you make contributions to a qualified employer-sponsored retirement plan such as 403(b), 457, 401(k), or to an individual retirement arrangement, you may be able to take a tax credit of up to \$1,000.

## THE RETIREMENT SAVINGS CONTRIBUTIONS CREDIT APPLIES TO:

- » Individuals with incomes up to \$27,750 (\$41,625 for head of household).
- » Married couples with incomes up to \$55,500 who file jointly
- » Individuals who are over the age of 18, not a full-time student, and not claimed as a dependent on another person's tax return.

## HOW MUCH CAN I CONTRIBUTE?

Current contribution limits are as follows:

- » Under age 50 – up to \$16,500 per calendar year.
- » Age 50 and over – up to \$22,000 per calendar year.

**Reminder:** The 15-year catch up is no longer allowed in any of the school districts where First Financial Administrators, Inc. provides 403(b) administrative services.

## HOW AND WHEN CAN I GET MY MONEY OUT?

You must have a qualifying event to withdraw your money.

### The qualifying events are:

- » Severance from Service
- » You have reached 59 ½ years of age or older
- » Disability
- » Death
- » Financial Hardship  
(only if allowed by Plan)

## TYPES OF DISTRIBUTIONS:

REQUIREMENT Must be an available option in your Plan. In order to verify if the following options are available under your plan, please review your Plan Summary at [www.ffga.com/403b/403bmain.aspx](http://www.ffga.com/403b/403bmain.aspx)



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## Exchanges

An exchange allows you to move money from one vendor in the plan to another vendor in the same employer plan. For instance, if you have a 403(b) account with one vendor and want to start with a new vendor on the approved list, you can consolidate your funds in your new account.

### » What paper work do I submit?

You must submit all required paperwork from both the surrendering company and the receiving company.

## Buying Years of Service

You may transfer your 403(b) account to buy back Teacher Retirement Service (TRS) years of service or purchase out of state credit if available to you.

### » What paperwork do I submit?

You will need to send the surrendering company paperwork along with the TRS trustee to trustee rollover form and service purchase invoice.

## Transfers/Rollovers

When you have a qualified event, you may be eligible to transfer/rollover your account to another retirement plan (i.e., 457, IRA, a plan with your new employer, etc).

### » What kind of paperwork do I submit?

You must complete the surrendering company and the receiving company forms.

## Loans

To apply for a loan, you must determine if your district plan a) allows loans and b) has a limit on how many outstanding loans are permitted. Most plans limit loans to one at a time. If your district has this limitation, please make sure that you have no outstanding or defaulted loans before submitting paperwork for approval. Obtain necessary forms from the vendor and submit to First Financial Administrators, Inc. for approval.

» Due to the requirement for written documentation of the information from vendors, loans could take up to 3 weeks to process.

» Loan Limits (if allowed) in a 12 month period is the lesser of 50% of account value or \$50,000.

» You must contact your vendor for the required forms.

» If your vendor does not require originals, requests may be faxed to (866) 265-4594.

» Please allow 3-5 business days before calling to check the status of your request.

» To review IRS regulations, go to [www.IRS.gov](http://www.IRS.gov) or call (800) 829-3676.

## MORE QUESTIONS ABOUT YOUR 403(b) PLAN?

Refer to our frequently asked questions section at [www.ffga.com](http://www.ffga.com)



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