

South Washington County Schools 403(b) Retirement Plan Universal Availability Notice

South Washington County Schools (the “District”) offers a 403(b) retirement plan for eligible employees of the District. All employees of South Washington County Schools are eligible to participate in the 403(b) plan.

What is a 403(b) plan and why should you contribute?

A 403(b) plan is a tax-deferred retirement program that permits an employee to reduce their compensation (a “deferral”) and have the deferral deposited into a 403(b) account that the employee sets up with a 403(b) vendor. Amounts deferred into a regular 403(b) account reduce employees taxable compensation and any earnings on those deferrals are generally not taxed until the employee makes a withdrawal from his or her 403(b) account following separation from service with the District. Amounts deferred into a Roth 403(b) account are contributed on an after-tax basis, but taxes are not paid upon a qualified distribution from the account.

Please note that the type of contribution that will be most appropriate for you is based on your individual facts and circumstances. Please consult with your tax advisor, financial advisor, or attorney to discuss the best option for you.

How do I enroll in the 403(b) plan?

To enroll in the 403(b) plan, an employee must complete necessary paperwork, such as a salary reduction agreement (“SRA”). The SRA will only apply to amounts earned after enrolling in the plan. This contribution will continue unless it is modified or revoked in the future. The District has established policies that enable you to increase or decrease your contribution, stop your contribution, or change from one authorized 403(b) vendor to another. Employees may get the necessary enrollment forms from the benefits section of the Districts website. Additional information on District policies and other 403(b) plan rules can be found on the benefits website page.

The District maintains a list of approved 403(b) vendors and contact information for optional advisors. Employees can use any advisor they wish as long as an approved 403(b) vendor is used. A copy of this list is available from Appendices 1 and 2 of the plan Adoption Agreements. Employees should contact each vendor for information about the 403(b) products and services it offers.

How much can be contributed to a 403(b) plan?

The sum of your Roth and pre-tax 403(b) contributions may not exceed the annual limit under Internal Revenue Code Section 402(g). This amount may increase annually for inflation. The limit is \$23,000 for 2024.

If you are age 50 or over, you may defer an additional amount, called the “the age 50+ catch-up contribution,” up to the maximum allowed under Internal Revenue Code Section 414(v). This amount may also increase for inflation. The age 50+ catch-up contribution limit is \$7,500 for 2024.

In addition, if you have fifteen years of service with the same eligible employer, you may be entitled to make a special 403(b) catch-up contribution, often called the “15-year catch up”, which also may increase for inflation (a maximum of \$3,000). Contact your employer for more information about your contributions limits.

Disclosure to employees: The District has no liability for any employee’s election to participate in the 403(b) plan, choice of 403(b) vendor(s), or expected tax consequences resulting from participating in the 403(b) plan. The District does not provide tax, legal or investment advice and recommends that employees seek advice from professionals who specialize in these areas.