

*The IRS requires all employers who provide a 403(b) Retirement plan for their employees to receive notice of the plan each year. Please forward this email with the attached Universal Availability Notice to your employees for their reference.*

The *Hitchcock Independent School District* is pleased to announce the 403(b) retirement plan as an added benefit to our employees. The 403(b)/457 retirement plan acts very similar to a 401(k) plan and provides several benefits including:

- 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 (\$6,000).

More information on 403(b) plans, including a list of approved vendors can be found here: <http://nbsbenefits.com/my-account/national-benefit-services-403b-plan-information-portal/>.

We are excited to offer this valuable benefit to our employees, and encourage everyone to participate.

Once you have established an account with a vendor, please complete the attached "Salary Reduction Agreement" form indicating how much you would like to contribute. After that, please return it to the address on the form or fax# provided on the bottom of the form and they will take care of the rest. Thank you!

E-Mailed to all staff on 04/10/2015 7:30 a.m.