

## **Wicomico County Board of Education 403(b) Plan – General Questions**

We have prepared a list of frequently asked questions about the 403(b) or Tax Sheltered Annuity retirement savings program in order to provide information to all employees.

### **What is a 403(b)?**

The 403(b) plan allows you to save for retirement through pre-tax payroll deductions by investing money in insurance annuity contracts or mutual funds.

### **What is the difference between a TDA, TSA and a 403(b)?**

They are all one in the same. 403(b) refers to the Internal Revenue Code section given to the Tax Sheltered Annuity (TSA) and Tax Deferred Annuity (TDA) programs.

### **Who can participate in the Board's 403(b) plan and when can I enroll?**

Any employee, including substitutes and contractual employees, can enroll at any time during the year. You can even select the exact payday you want your contributions to begin.

### **How often are my contributions deducted?**

Payroll deductions are on a 10 month basis coinciding with the school year. The first deduction begins with the first payday on or about September 15<sup>th</sup>. The last deduction is at the end of the school year, on or about June 30<sup>th</sup>. No deductions are taken in July and August.

### **How often can I change my contributions?**

You may change your contributions at any time. This includes increasing, decreasing, or stopping your payroll deductions.

### **What are my choices of investments?**

The Board has approved over 25 insurance companies and mutual fund companies with whom you may open accounts. This list is included in this packet.

### **Does the Board match my contributions to my 403(b) account?**

The Board established a 401(a) matching plan so that annual contributions, as approved by the Board, would be deposited into a separate account established in your name. The match for school year 2007-08 is 50% of the first \$750 that you contribute to your 403(b) account, regardless of mutual fund or insurance company. Therefore, the maximum match this year is \$375.

### **If I don't have a 403(b) account, can I still get the matching funds?**

No, you must be making contributions into your own 403(b) in order to be eligible for the matching funds. The match is to provide an incentive for you to have a 403(b) account.

### **How do I get started?**

Talk with your local insurance representative or investment broker. You can also talk to or visit with the Met Life Representative, Andy Collier. You can call him at extension 7-8762 (410-341-8762). The representative also visits the schools and other locations on a regular basis. He has information and the forms that need to be completed before the 403(b) deductions can start.

## **Wicomico County Board of Education**

### **403(b) Plan – Questions from current participants**

In order to provide detailed information to employees with a 403(b) account, we have prepared a list of frequently asked questions about the 403(b) plan.

#### **Why does my pay stub say MetLife TSA if I have my account with another company?**

In 1998, the Board of Education decided to seek proposals for a third party administrator to assure our plan's compliance with the IRS, provide deposits to accounts after each payroll and to promote employee awareness. MetLife, formerly CitiStreet, was awarded the contract and is our third party administrator. MetLife forwards all contributions to your mutual fund or insurance company after each payroll.

#### **How often can I change my contributions?**

You may change your contributions at any time. This includes increasing, decreasing, or stopping your payroll deductions. The effective date will be approximately 30 days from the date of receipt of a properly completed Salary Reduction Agreement. These forms are available in the literature rack in the Human Resources Department or your local broker.

#### **What are my other choices of investments to increase my diversity my contributions?**

The Board has approved over 30 insurance companies and mutual fund companies with whom you may open accounts. The list is available from our MetLife account representative, a local broker who offers any of the approved 403(b) options, and our website, [www.wcboe.benelogic.com](http://www.wcboe.benelogic.com).

#### **How does the 401(a) matching plan work?**

The Board established a 401(a) matching plan so that annual contributions, as approved by the Board, would be deposited into a separate account established in your name. The match for the school year 2007-08 is 50% of the first \$750 that you contribute to your 403(b) account, regardless of mutual fund or insurance company. Therefore, the maximum match this year is \$375. For details, see your copy of the 401(a) Summary Plan Description.

#### **How do I enroll in the 401(a) matching plan?**

You are automatically enrolled in the 401(a) matching plan when you participate in the 403(b) plan. The only necessary paperwork is the 401(a) Beneficiary Designation form. Participants in the 403(b) plan as of September 2001 were asked to complete the form. New 403(b) participants should have completed the 401(a) form at the time of enrollment in the 403(b).

#### **How are my 401(a) contributions invested?**

A group of employees and three community members are trustees of the 401(a) plan. The Vanguard Balanced Index Fund was selected last year for all Board contributed 401(a) investments based on its long-term rate of return and asset allocation.

#### **Do I receive a statement for my 401(a) matching plan account?**

You will receive quarterly statements from Met Life mailed to your home address. The Board's matching funds are deposited annually after June 30<sup>th</sup>.

#### **Where can I go for forms or if I have other questions?**

Talk with your local insurance representative or investment broker. You can also talk to or visit with the Met Life representative, Andy Collier. You can call him at extension 8762 (410-341-8762) or email him at [acollier@wcboe.org](mailto:acollier@wcboe.org). He also visits schools and central office on a regular basis.