

FAQ's for Tax Shelter Annuity (TSA) 403(b)

Questions: My Investment company is being eliminated. Do I need to move my account to one of the remaining companies?

Answer: If your company is eliminated, you can select one of the remaining companies if you want to continue to participate in the 403(b) program. You will need to complete a new Salary Reduction Form and send it to Payroll.

As for the balance that remains at the other investment company please work with the investment company directly or else a broker to discuss doing a "contract exchange" or leaving your balance with the previous investment company.

Question: Why should I consider opening a 403(b) or a 457?

Answer: Your total taxable income will be decreased by the amount you defer, lowering your annual income taxes. Remember you are building up your retirement nest egg over a period of time. The sooner you get started the longer the time your money has to grow.

Question: How do I decide which investment company to choose?

Answer: On the district website we listed all the investment companies and their website. Take a few minutes when you are at home to go out to each of the sites and take a look around at the information. Ask your fellow employees for recommendations about funds and who they use for a brokers.

Question: What is a 403(b) and 457?

Answer: a 403(b) is the IRS code for a employer sponsored retirement savings plan for non-profits organizations that allow pre-tax contributions. A 457 is the IRS code for a retirement savings plan for government employees. Only school district employees have the advantage of being able to contribute to a 457 and 403(b) plan. You can contribute up to the 2022 limit of \$20,500 in each plan, that is a total of \$41,000.

Question: Over how many payrolls are the deductions taken?

Answer: Every time you are paid, regardless of the type of pay or when it is paid. If you are a teacher and you work summer school we will take a deduction unless you turn off the TSA for the summer. Payroll sends out a notice annually notifying employees as to when they can turn off their TSA for the summer.

Questions: How often can I make a change to my 403(b) contribution amount?

Answer: You can make unlimited changes per calendar year.

Question: When is the change effective?

Answer: The pay period following receipt of KUSD's Salary Reduction Agreement.