
Tax Sheltered Annuity & Deferred Compensation Plans

There are two types of voluntary deferred compensation plans available to all employees of the Hillsborough City School District. These plans offer various methods supplementing your retirement income while deferring Federal and State taxes owed on deferred salary until the money is distributed to you, usually after retirement. The District offers voluntary 403(b) tax sheltered annuity and 457(b) deferred compensation plans. You have the choice of participating in one or both plans simultaneously because each has a separate contribution limit. The contribution limits for 2018 are \$18,500 for 403(b) plans and \$18,500 for 457(b) plans. If you turn 50 in 2018, you may contribute a total of \$24,500 to each plan. A notable difference between the 403(b) and 457(b) plans is plan distributions. Regardless of your age, you can withdraw funds from the 457(b) plan without any IRS early withdrawal penalties when you cease employment with the Hillsborough City School District. With 403(b) plans, there may be a 10% IRS penalty for participants who cease employment under the age of 55 and make a withdrawal.

403(b) Tax Sheltered Annuity

To begin a tax sheltered annuity deduction, you must contact your financial advisor or Tax Sheltered Annuity (TSA) Company directly to open an account. TSA contributions may be made to any of the Approved Vendors on www.403bcompare.com for Hillsborough City School District. 403bCompare was provided by CalSTRS to inform you of registered vendors and their products to help you with investment decisions. If you have any questions, please contact our 403(b) Third Party Administrator, **ADMin Partners at (877) 484-4400**.

Once you have established your account with an Approved Vendor, you must complete, sign and submit the "Salary Reduction Agreement" form (enclosed and provided by ADMin Partners) to Kim Hover, Payroll Specialist (650-342-5193 ext. 102 khover@hcsd.k12.ca.us) prior to the 10th of the month in which the reduction is to take place. The form can also be found at <https://www.403bcompare.com/employers/1239>. You may enroll, stop, or make changes to your 403(b) plan throughout the year.

457(b) Deferred Compensation Plan

The District sponsors a 457(b) Deferred Compensation Plan with Mass Mutual that you may contribute to through payroll deduction. If interested, please contact:

Ben Yohanan, Investment and Enrollment Representative
MassMutual Group Variable Annuity Contract
Phone: (650) 583-8815

SALARY REDUCTION AGREEMENT

Part I: Employee Information	Please read information on form before completing and signing				Pay period effective date:
	Last Name	First Name	Middle Initial	Date of birth:	Social Security Number
	Employee Address			Date of hire:	Number of pay periods per year:
	Employee Email			Employer Name	

Part II: Contribution Information	Plan Type: <input type="checkbox"/> 403(b) <input type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 401(k) <input type="checkbox"/> Other: _____				
	I want to:				
	<input type="checkbox"/> Initiate a new salary reduction/deduction – complete parts II and IV				
	<input type="checkbox"/> I am contributing more than \$18,000 (in 2016, as indexed) due to the following:				
	<input type="checkbox"/> I am contributing \$_____ based upon the age 50 and older catch up election (max \$6,000)				
	<input type="checkbox"/> Change investment or insurance provider – complete parts II and IV				
	<input type="checkbox"/> Change the amount of my salary reduction/deduction – complete parts II and IV				
<input type="checkbox"/> Discontinue my salary reduction/deduction – complete part IV only					
INVESTMENT/INSURANCE PROVIDER NAME AND ADDRESS		ACCOUNT/POLICY NUMBER	EMPLOYEE DEFERRAL DOLLAR AMOUNT	EMPLOYEE ROTH (POST-TAX) DOLLAR AMOUNT	EMPLOYER CONTRIBUTION DOLLAR AMOUNT
TOTAL PER PAY PERIOD			\$	\$	\$

Part III: Agreement and Important Information

By signing this Agreement, Employee agrees to modify his/her salary as indicated above and Employer agrees to contribute this amount on Employee's behalf into the applicable Plan investments selected by Employee with the proper identification of pre-tax contributions and after-tax contributions to aid in proper allocation to segregated accounts by the Provider(s). It is intended that the requirements of all applicable state and federal tax rules and regulations (Applicable Law) will be met.

The Employee understands and agrees that this Agreement:

1. Is legally binding and irrevocable with respect to amounts paid or available while it is in effect; 2. May be terminated at any time for amounts not yet paid or available, and that a termination request is permanent and remains in effect until a new salary reduction agreement is submitted; 3. Is effective only for amounts not yet earned or made available in accordance with the Employer's administrative procedures.

Employee further agrees that:

He/she may be assessed fees associated with administering the Plan either directly by the product vendor or by payroll deduction. He/she is responsible for determining that his/her salary reduction amount does not exceed the limits of the Applicable Law and is further responsible for the requirement that any after-tax contributions to a Roth option be segregated into a separate account that is separately tracked and monitored.

He/she is responsible for the accuracy of the information provided by Employee, which is used in determining Employee's maximum annual contribution limit; and Employer has no liability for any losses suffered by Employee that result from his/her participation in the Plan.

Employee acknowledges that Employer has made no representation to Employee regarding the advisability, appropriateness or tax consequences of the Plan investment(s) selected by the Employee. Nothing herein shall affect the terms of employment between Employer and Employee.

This agreement supersedes all prior salary reduction agreements and shall automatically terminate if your employment with the Employer is terminated.

Important Information

1. Employer does not choose any products in which contributions are invested nor does it endorse, promote or in any way guarantee any investments in the Plan.
2. Employees are responsible for setting up and signing the legal documents to establish the annuity contract or custodial account. However, in certain group annuity contracts, Employer may be required to establish the contract.
3. In order to receive the expected tax results, Employees are responsible for investing in appropriate products that meet the requirements of the applicable Sections of the Internal Revenue Code.
4. Employees are responsible for naming a death beneficiary under the applicable Plan. This is normally done at the time the investment vehicle is established. Beneficiary designations should be reviewed periodically.
5. Employees are responsible for all distributions and any other transactions with their service provider. All rights under the investment(s) are enforceable solely by Employee, Employee beneficiary or Employee's authorized representative. Employee must work directly with the service provider to transfer contract(s) or custodial account(s) to another service provider, begin distributions, make loans, or otherwise access Plan assets.
6. Employees are responsible for determining that salary reductions do not exceed the allowable contribution limits under Applicable Law. References herein to elective deferral limits are based on the 2015 IRS limits.

Part IV: Signatures	Employee	
	I certify that I have read this complete Agreement and that my salary reductions do not exceed contribution limits as determined by Applicable Law. I also certify that I am eligible for the catch up election(s), if selected, under Part 2 above. I understand my responsibilities as an Employee under the Plan, and I request Employer to take the action specified in this Agreement. I understand that all rights under the investment(s) established by me under the Plan are enforceable solely by me, my beneficiary or my authorized representative.	
	Employee Signature	Date: (mm/dd/yyyy)
	Agent/Representative	
	I hereby acknowledge my responsibility to comply with Employer's written directives regarding solicitation of Employees. I also acknowledge my responsibility to assist the Employee in determining the maximum contribution limits. (Please Print)	
	Agent/Representative Name	Date: (mm/dd/yyyy)
	Address	Phone
	Employer	
Employer hereby agrees to this Salary Reduction Agreement and further agrees to identify both the pre-tax contributions and the after-tax contributions at the time of remittance to the selected Investment or Insurance Provider(s).		
Signature of Employer Representative	Title	

Below is a list of 403(b) vendors approved by your employer. You must contact a vendor from this list to open an account before initiating contributions. Select a **Vendor Name** to view details about the vendor and a list of available products.

Vendor ID	Vendor Name
1041	Ameriprise Financial Inc. (/Vendors/1041)
1077	First Investors Funds distributed by Foresters Financial (/Vendors/1077)
1025	Franklin Templeton Investments (/Vendors/1025)
1096	Great American Insurance Group (Annuity Investors Life Insurance Company) (/Vendors/1096)
1029	Lincoln Nat'l Life Ins Co (Lincoln Financial Group), The (/Vendors/1029)
1024	Metropolitan Life Insurance Company (/Vendors/1024)
1036	National Life Group through member company Life Insurance Company of the Southwest (/Vendors/1036)
1121	Oppenheimer Funds Distributor, Inc (/Vendors/1121)
1127	PlanMember Services Corp (/Vendors/1127)
1022	Security Benefit (/Vendors/1022)
1117	VALIC (/Vendors/1117)
1102	Vanguard Group, The (/Vendors/1102)
1060	Voya - ReliaStar Life Insurance Company (/Vendors/1060)
1961	Voya Retirement Insurance and Annuity Company (/Vendors/1961)
1162	Western National Life Insurance Company (/Vendors/1162)

After opening an account with an approved vendor, use the link below to start contributing or to make changes to your contributions.

Salary Reduction Agreement

(http://www.youradminpartners.com/bcompliant/docs/SRA_no_15yrs_2015.pdf)

