

# ABOUT YOUR 403(b) RETIREMENT PLAN

As an eligible employee, you are permitted to participate in a 403(b) tax deferred retirement program.

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## What is a 403(b) plan?

A 403(b) plan is a tax-deferred retirement plan available to employees of educational institutions and certain non-profit organizations. In this plan, you can make pre-tax contributions for retirement savings. Distributions generally are only available when you reach age 59 ½ or experience a severance of employment. However, distributions can also be available in the event of financial hardship, death, or disability. Short-term needs also can sometimes be met by non-taxable loans.

## Why contribute to a 403(b)?

Participating in your plan can provide a number of benefits, including:

- **LOWER TAXES TODAY.** Your 403(b) contributions are made on a pre-tax basis which can greatly reduce your current income tax bill. For example, if your federal marginal income tax rate is 25%, and if you contribute \$100 a month to a 403(b) plan, you've reduced your federal income taxes by roughly \$25 (assuming a 25% tax bracket). In effect, your \$100 contribution costs you only \$75. The tax savings can grow with the size of your 403(b) contribution.
- **TAX-DEFERRED GROWTH.** Your account in the 403(b) plan is tax-deferred. This means that your account can grow tax-free until time of withdrawal.
- **ENHANCED RETIREMENT.** Other sources of retirement income, including state pension plans and, if applicable, Social Security, often do not adequately replace a person's salary upon retirement. A 403(b) plan can provide a healthy supplement to an employee's retirement income.

## How do I get more information?

To obtain more information, including information about how to participate, and about the savings products made available under the plan, contact the Human Resource Department.



**Not intended as tax or legal advice. Neither your employer nor the investment providers offering savings products under the plan can provide you with tax or legal advice.**