

# WHAT IS THE DEFERRED COMPENSATION PROGRAM?

*For School District Employees*

The Washington State Deferred Compensation Program (DCP) is a 457(b) pre-tax salary deferral retirement savings plan.

## **ELIGIBILITY**

All regularly scheduled School District employees (Part-time, Full-time, Classified & Certificated) may voluntarily choose to participate in the Deferred Compensation Program.

## **MAXIMUM DEFERRAL**

For the year 2015 participants may contribute 100% of adjusted gross income up to \$18,000 per year. Minimum deferral is \$30 per month.

## **"CATCH-UP PROVISION"**

Plan participants that are age 50 or older at any point during the plan year are eligible to make an additional "catch-up" contribution. For 2015 the allowed "catch-up" contribution may be as much as \$6,000. Such contributions to this plan directly reduce your current taxable income.

## **ACCOUNT MANAGEMENT**

Accounts can be accessed and managed by logging on to the Web site or by calling the DCP Information Line at 1-888-327-5596 (TDD 1-877-847-6041). Account balances are updated each business day and available 24 hours a day, 7 days a week. Management of an account includes the transfer of account balances between the investment options, changing deferral amounts, changing investment elections, and account rebalancing. Deferrals can be suspended at any time by changing the contribution rate to "0".

## **LOANS**

Loans from this plan are not available.

## **PENALTIES AT DISTRIBUTION**

There is **NO** 10% penalty tax on a distribution at any age after separation from employment.

## **DISTRIBUTION AVAILABLE**

Withdrawals allowed at separation from employment, death, or for a qualified unforeseeable financial hardship/emergency.

## **PURCHASE SERVICE CREDIT**

Yes for **eligible** TRS, PERS, and SERS service credit. TRS members may also be able to purchase an annuity.

## **What is the difference between the Deferred Compensation Program and a Tax Sheltered Annuity 403(b) Plan?**

They both have similar features but the primary difference is the account balance at retirement. DCP has some of the lowest fees in the United States. If two funds have similar investment objectives, the DCP fund balance could be considerably larger over the long term due to its very low investment fees.

TSA plans may allow for loans to the extent provided by the annuity contract or custodial account. TSA plans allow for purchase of a primary residence and tuition expenses under financial hardship/emergency withdrawals. They also have a 10% early withdrawal penalty which applies to certain allowable distributions.

Employees can contribute to both a 403(b) TSA and DCP to the maximum deferral amount allowed in each plan without coordination. Rollovers between plans are permitted at separation from employment.

Administrator: **Washington State Department of Retirement Systems**

DCP Customer Service: **(360) 664-7111 or 1-888-327-5596**

Web site: [www.drs.wa.gov/dcp](http://www.drs.wa.gov/dcp)

If you enroll in the Deferred Compensation Program, there are two different investment approaches you can take. One is the Build and Monitor approach and the other is One-Step Investing.

**BUILD AND MONITOR – YOU SELECT, MONITOR AND ADJUST YOUR INVESTMENTS**

With Build and Monitor, you select your own mix of individual funds and decide how much to invest in each one. You choose from a menu of professionally-managed funds listed in the chart below. The **risk** and **return** profiles of the funds range from high to low. You are responsible for monitoring your investments and making changes as you near retirement.

<b>BUILD AND MONITOR FUNDS</b>	
Emerging Market Equity Index	
U.S. Small Cap Value Equity Index	
Global Equity Index	
U.S. Large Cap Equity Index	
Socially Responsible Balanced	
Washington State Bond	
Savings Pool	

**ONE-STEP INVESTING – YOUR INVESTMENTS ARE AUTOMATICALLY ADJUSTED FOR YOU**

The One-Step Investing approach is made up of 12 Retirement Strategy Funds. Each one is diversified and **automatically rebalances**, adjusting your **asset mix** as you move toward a **target date** for retirement that meets your needs and lifestyle.

To select the Retirement Strategy Fund that's right for you, take the year you were born and add it to the age you expect to retire or withdraw your funds. The sum is your target date.

**HOW IT WORKS EXAMPLE**

$$1968 \text{ (birth year)} + 65 \text{ (retirement age)} = 2033 \text{ (target date)}$$

Pick the fund with the date closest to your target date (in our example above, 2035 would be the target date):

<b>RETIREMENT STRATEGY FUNDS</b>	
2060	2025
2055	2020
2050	2015
2045	2010
2040	2005
2035	Maturity Strategy*
2030	

\*The Retirement Maturity Strategy Fund is allocated for investors who have been retired for 15 years or more.

Please consult the DCP website at [www.drs.wa.gov/dcp](http://www.drs.wa.gov/dcp) for complete details on all funds prior to investing.

# Universal Availability Notice

*First Financial Group of America*

## **Act Now to Maximize Your 403(b) and 457(b) Contributions**

In compliance with the requirements of IRC §403(b)(12)(A)(ii) this Notice will advise you of the voluntary 403(b) Program established and maintained for the benefit of all employees.

Now is the time to act if you wish to maximize your pre-tax contributions to the 403(b) and 457(b) Plans or make changes for this calendar (taxable) year.

Go to [www.ffga.com](http://www.ffga.com) to view your employers' retirement plan options and availability. You can also verify if the plan offers both 403(b) and 457(b) Plans before you decide how to proceed.

**Eligibility** - All employees who are employed by the Employer, including full and part-time employees.

**Contributions** - When you enroll in the program, the amounts you designate as salary deferrals are withheld from your wages and forwarded to an investment provider of your choice. Several types of contributions may be available in your plan:

**Pre-Tax Salary Deferrals:** These are amounts contributed into a 403(b) Plan that are deferred from your paycheck before federal income taxes are applied.

**Roth Salary Deferrals:** (If your plan allows) These amounts are also deferred from your paycheck, but are subject to federal income taxes. When you withdraw monies from a Roth plan the funds may be excluded from taxation. Special rules apply to Roth contributions and you should contact your tax advisor before electing this option.

For **2015**, you may defer from your wages, a maximum of \$18,000 to all 403(b) and 457(b) plans unless you will reach 50 years of age during the year. In that case, you would be eligible to contribute an additional \$6,000. Deferrals may not exceed 100% of your wages.

**Rollovers:** (If your plan allows) You may also rollover funds from another employer's plan if you receive an eligible rollover distribution.

**Plan Investment Options** - Your contributions to the 403(b) Plan must be made to an investment provider approved by your Employer. Before enrolling in the plan, you must first establish an account with one of the Providers listed. Once you have executed an investment contract and established an account, you can begin making contributions.

**Assistance** - You may enroll in the plan or receive assistance with these provisions by contacting the plan's Third Party Administrator, First Financial Administrator, Inc. or a representative for one of the plan's Investment Companies listed on [www.ffga.com](http://www.ffga.com).

Additional information about the provisions and options in your plan are available by contacting First Financial Administrators at (800) 523-8422 or from the plan's web site, [www.ffga.com](http://www.ffga.com).

# Universal Availability Notice

*First Financial Group of America*

The following are some guidelines to assist you with your decisions. Note that any changes you make now will continue in 2015 forward, so don't forget to readjust your contributions once 2016 begins, if that is what you wish to do.

## **403(b) Retirement Plan**

The tax structure of a 403(b) is similar to 401k. As you make contributions through your salary, on a pre-tax basis, they attract interest. It is when you start receiving monthly payments from the plan on maturity that you are required to pay taxes, just like any other ordinary income. This is why 403(b) is also known as Tax Sheltered Annuity (TSA). This plan is popular among non-profit organizations, and employers opt for it, as it is exempt from Employer Retirement Income Security Act which allows the employer to offer this plan to all employees.

## **457(b) Retirement Plan**

A 457(b) is a retirement benefit plan that is open for mostly government sector employees. The employer may offer this plan which is also similar to a 401k. The contributions made by an employee are exempt from tax until the employee receives a benefit from the plan, this is also known as a tax deferred plan. But unlike 401k or 403b, there is no penalty for withdrawal before the age of 59 ½ (subject to a qualifying event under 457(b) provisions). However, the amount withdrawn is subject to ordinary taxation. This plan allows employees to save a part of their income without paying tax on contributions, or the earnings that accrue in the form of interest, until funds are distributed from the plan based on a qualifying event.

## **Difference between 403(b) and 457(b)**

*Both are tax deferred plans.*

*In 457(b), there is no minimum retirement age which means there is not a 10% penalty upon withdrawal of money based on a qualifying event. An early withdrawal penalty does apply to both 403(b) and 401k plans.*

*What is notable is that if an employer offers both 457(b) and 403(b), an employee can choose to contribute to both from his salary.*

*While under 403(b), an employee can withdraw money for hardship circumstances such as buying a home or for the education of himself or a qualified dependent. Such withdrawals are not allowed under the unforeseen emergency provisions of a 457(b) plan.*

**Questions?** Contact First Financial at  
(800) 523-8422 or visit us at [www.ffga.com](http://www.ffga.com).



# Deer Park School Dist. NO. 414

## 403(b) UNIVERSAL AVAILABILITY NOTICE

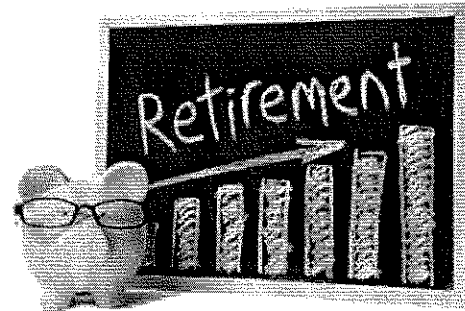
### THE OPPORTUNITY

You have the opportunity to save for retirement by participating in your Employer's 403(b) retirement plan. A 403(b) plan is a retirement plan for certain employees of public schools, tax-exempt organizations and ministers. Contributions are made under a Salary Reduction Agreement (SRA) with your employer. This agreement allows your employer to withhold money from your paycheck to be contributed directly into a 403(b) account for your benefit. Usually, you do not pay income tax on these contributions until you withdraw them from the account.

We recommend that all employees view a brief, 3-minute video presentation called, '403(b). Why me?' explaining a 403(b) plan, and how to contribute. The video can be viewed on OMNI's website at [www.403bwhy.me.com](http://www.403bwhy.me.com).

### WHY SAVE WITH 403(B)

- You do not pay income tax on allowable contributions until you begin making withdrawals from the plan, usually after your retirement.
- Investment gains in the plan are not taxed until distributed.
- Retirement assets can be carried from one employer to another in most cases.



Sample of Future Retirement Savings Value Assuming 6% Yield on Investment **			
Monthly Contributions	5 Years	15 Years	20 Years
\$50	\$3,489	\$14,541	\$23,102
\$200	\$13,954	\$58,184	\$92,408
\$500	\$34,885	\$145,409	\$231,020

\*\* OMNI® does not offer financial advice. Always consult your financial advisor before investing. For more information about 403(b) Plans, visit the [IRS website](http://IRS).

### HOW CAN I PARTICIPATE

Prior to contributing you must open an account with an investment provider participating in the Plan, a list of which is available (AT RIGHT, LEFT, OR WHEREVER THE LIST GOES ON THE PUBLICATION). You may then complete a Salary Reduction Agreement ("SRA") online at [www.omni403b.com](http://www.omni403b.com).

### HOW MUCH CAN I CONTRIBUTE ANNUALLY

You may contribute up to \$18,000 in 2016. If you have at least 15 years of service with your employer or you are at least 50 years old, you may be entitled to make additional contributions. For appropriate limits for your particular circumstances, please contact OMNI's Customer Care Center at 877-544-6664.

### WHAT IF I ALREADY HAVE AN ACCOUNT

If you are already contributing to the Plan, and you want to change your contribution amount or investment provider, simply complete and submit a new SRA.

### New accounts may be opened with following approved service providers

American Fidelity Assurance Co.  
Ameriprise Financial Services, Inc.  
Aspire Financial Services  
Foresters Financial (First Investors)  
Security Benefit  
VALIC  
Voya Financial (Reliastar)



# Plan Detail Deer Park School Dist. No. 414, Deer Park WA

## 403(b) Plan Details:

Current Plan Status: Active

### Participating Service Providers

Listed below are the Service Providers which currently participate in your organization's plan.

Service Providers with a double asterisk notation (\*\*) are not authorized to accept new accounts under your employer's plan. Please contact OMNI® with any questions.

Where available, hyperlinks to the provider's website have been provided for your convenience.



**Agent Info Available**  
Click icon next to fund name for details.



**Online Enrollment Available**  
Click icon next to fund name for details.

**American Fidelity Assurance Co.**

**Ameriprise Financial Services, Inc.**

**Ameritas Variable Life Co. \*\***

**First Investors Corporation**

**Security Benefit**

**VALIC**

**Voya Financial (ING Reliastar)**

*For any questions concerning your employers list of participating providers, please contact OMNI at 877-544-6664.*

### Forms

Salary Reduction Agreement (SRA):



**Salary Reduction Agreement - Online**



**Salary Reduction Agreement - PDF**

Service Based Catch-Up Request:



**Online Request Form**



**Downloadable PDF Version**

Plan Transactions:

*For assistance determining the proper service provider transaction form to submit for your situation, please review our **Transaction Instructions** page for more information*



**Death Claim**



**Disability**



**Distribution**



**Exchange**



**Hardship**



**Loan**



**QDRO**



**Rollover**



**Service Credit**



**Transfer**