Overview
The 403(b) is a Tax-Sheltered Account (TSA) developed by the IRS to allow you to save for retirement and supplement your CalSTRS/CalPERS pension plan. On average, your pension replaces 50-65% of income in retirement.\textsuperscript{1,2} Currently, studies show that at a minimum, approximately 80% of income replacement is necessary to maintain the same standard of living in retirement.\textsuperscript{3} A 403(b) offers school employees a way to bridge that gap while saving for retirement.

403(b)

Taxes
Contributions are made to a 403(b) before taxes are taken from your paycheck, reducing your taxable income. Taxes are paid on withdrawals, typically in retirement when you will likely be in a lower tax bracket.

Withdrawals
You may begin to take withdrawals from a 403(b) at age 59½. Penalties may apply to withdrawals taken before this time.

Loans
A loan may be taken against Roth 403(b) funds while you are still employed. Repayment terms and interest rates are determined by your plan’s vendor.

Roth 403(b)

Taxes
Contributions to a Roth 403(b) are made after taxes are taken from your paycheck, allowing your earnings to grow — and withdrawals taken — tax-free if the account has been open for at least five years and you are age 59½ or older.

Withdrawals
You may make a withdrawal from a Roth 403(b) when you reach age 59½, upon severance of employment, or in case of hardship, disability or death.

Loans
A loan may be taken against Roth 403(b) funds while you are still employed. Repayment terms and interest rates are determined by your plan’s vendor.

Contribution
In 2022, you may contribute up to $20,500 to a 403(b) and/or Roth 403(b), combined. It is possible to contribute up to $9,500 more than the maximum if you meet the following requirements:

\begin{itemize}
  \item Age 50+ in 2022 = an additional $6,500
  \item With employer 15+ years = an additional $3,000
\end{itemize}

Here to help you
The 403(b) administrator for your district is SchoolsFirst Plan Administration. If you have questions, or would like to open a 403(b) account, please contact:

Brian Burnett
Retirement Plan Advisor

Phone: 714-975-0268
Email: bburnett@schoolsfirstfcu.org

Minimum Contribution: $25.00

Scan the QR code to schedule your appointment today!
Online retirement access and tools to help you Educate, Enroll and Take Control

We make it easy to stay on top of your retirement plans from wherever you are — enroll, monitor and adjust your plan. You have all the tools necessary to achieve your goals at your fingertips.

My Interactive Retirement Planner™
- Determine how your current account balance may translate into potential retirement income
- Utilize Social Security and pension estimators for a more comprehensive view of your potential future savings

My Health Care Estimator
- Understand your potential health care costs in retirement in less than five minutes
- Start preparing with insight into these potential expenses

Access on your terms
- Sign up for an online account to get access to all of these features 24/7
- Learn about budgeting, dollar cost averaging, special considerations and more with a library of videos, relevant articles, and tools

Professional Advice is just a phone call away
- Our advisors are available over the phone or we’ll even come to your school or district office for in-person appointments
- Get support and answers to any questions you may have about your retirement savings

CALL 800.462.8328, ext. 4116 Option 1 to schedule an appointment
CLICK nationwide.com/schoolsfirst to get started

Representatives are not tax advisors. For information regarding your specific tax situation, please consult a tax professional.
RE: Your 403(b)/457(b) Retirement Plan

Dear District Employee:

SchoolsFirst Plan Administration, LLC is the third party administrator of your 403(b) and/or 457(b) retirement plan. This letter is to inform you of the options available to help you save for retirement by participating in a 403(b) and/or 457(b) plan. These plans are designed to assist you in building and growing your savings for retirement by complimenting your pension income at retirement.

**What is a 403(b)/457(b) plan?**
The IRS created retirement savings plans for various groups to encourage retirement savings by offering tax benefits. They developed the 403(b) for non-profit organizations and the 457(b) for state employees. Contributions to these plans are made directly from your paycheck before taxes are taken out – reducing your tax bill while saving for retirement.

**What if I already have a 403(b)/457(b)?**
Great News! You always have the opportunity to increase your contributions to the 403(b) and/or 457(b) plan any time during the year, contact us and we will be happy to assist you.

**How much may I contribute?**
You may contribute up to $20,500 in 2022 to each plan, in addition to qualifying for additional catch-up limits. We would be happy to review these options with you in addition to answering questions you may have related to your retirement.

**Get Started**
If you would like to start contributions to a 403(b) and/or 457(b) plan, you must first establish an account with an approved investment provider. If you are already working with a financial advisor or agent, please feel free to continue to do so. If you do not have a financial advisor or agent, we are here to help!

Our goal as your district’s third party administrator is to provide you with the very best personal service. If you have questions regarding the administration of your retirement plans, please contact SchoolsFirst Plan Administration at 800.462.8328, x4727 or at retirement@schoolsfirstfcu.org. If you would like to schedule an appointment to meet with an advisor, please contact our Retirement Planning Department at 800.462.8328, x4116, Option 1.

Sincerely,

Chris Baehr
Vice President, Investment & Retirement Planning
Understanding Your 457(b)

Overview
The 457(b) is a Deferred Compensation Plan (DCP) developed by the IRS to allow you to save pre-tax dollars for retirement to supplement your CalSTRS/CalPERS pension plan. On average, your pension replaces 50-65% of income in retirement.\(^1,2\) Currently, studies show that at a minimum, approximately 80% of income replacement is necessary to maintain the same standard of living in retirement.\(^3\) A 457(b) offers school employees a way to bridge that gap while saving for retirement.

Taxes
Contributions are made to a 457(b) before taxes are taken from your paycheck, reducing your taxable income. Taxes are paid on withdrawals, typically in retirement when you will likely be in a lower tax bracket.

Withdrawals
You may withdraw from a 457(b) at age 59½ or when you leave your employer, or in the case of death, disability or unforeseeable emergency. Supporting documentation is required and you may be subject to penalty fees. Distributed funds cannot be rolled back into the plan.

Loans
A loan may be taken against 457(b) funds while you are still employed. Repayment terms and interest rates are determined by your plan’s vendor.

Contribution Limits
In 2022, you may contribute up to $20,500 to your 457(b). It is possible to make a catch-up contribution more than the maximum if you meet the following requirements in 2022:
- Age 50+ = an additional $6,500; or
- Age is within three years of Normal Retirement Age (NRA)* = up to an additional $19,500

The Pre-Tax Savings Advantage
Based on a teacher’s annual income of $45,000

<table>
<thead>
<tr>
<th></th>
<th>457(b) Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$100/Month</td>
</tr>
<tr>
<td>Monthly gross income</td>
<td>$3,750</td>
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<tr>
<td>Net paycheck</td>
<td>$2,786</td>
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<tr>
<td>Change in your paycheck</td>
<td>$67</td>
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</tbody>
</table>

*NRA is typically 62 or 65. Check with your plan administrator. This is a hypothetical example used for illustrative purposes only and is not indicative of any specific investment. The example does not reflect any fees or charges that may apply.

Here to help you
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- Get support and answers to any questions you may have about your retirement savings

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800.462.8328, ext. 4116
Option 1 to schedule an appointment

CLICK
nationwide.com/schoolsfirst

A 457(b) account must be opened prior to your first contribution. A complete list of approved providers is available upon request.

SchoolsFirst Plan Administration, LLC is a wholly-owned affiliate of SchoolsFirst Federal Credit Union. Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with SchoolsFirst FCU to make securities available to Members. Not NCUA/NCUSIF/FDIC insured, may lose value, no financial institution guarantee and not an obligation of the Credit Union. Not a deposit of any financial institution. CUNA Brokerage Services, Inc., is a registered broker/dealer in all fifty states of the United States of America. 


Representatives are not tax advisors. For information regarding your specific tax situation, please consult a tax professional.