

Retirement Plans for School Employees



As a school employee, you have the exclusive opportunity to take advantage of different retirement plan options. We are solely dedicated to the education community and have been providing access to retirement plans for school employees for more than 40 years. Our financial advisors are here to help you create a customized plan to fit your retirement goals.



Know Your Choices When Planning Your Retirement

457(b)

- Employer-sponsored Deferred Compensation Plan (DCP)
- Allows you to save pre-tax dollars, reducing your taxable income
- Contributions grow tax-deferred until they are withdrawn

403(b)

- Tax-Sheltered Account (TSA)
- Allows you to save pre-tax dollars, reducing your taxable income
- Contributions grow tax-deferred until they are withdrawn

Roth 403(b)/Roth 457(b)

- Contributions are made after taxes have been taken from your paycheck
- Allow earnings to grow tax-free¹

	457(b)	403(b)	Roth 403(b)	Roth 457(b)
Taxes	Contributions are made pre-tax. Taxes are paid on withdrawals, typically in retirement when you will likely be in a lower tax bracket.		Contributions are made after taxes have been paid, and withdrawals taken within the limits of your plan are tax-free. ¹	
Distributions	At age 59 1/2, when you leave your employer, or in the case of death, disability or unforeseen emergency.	At age 59½, when you leave your employer or in the case of hardship, disability or death. ²	At age 59½ and account must be open five consecutive years or more, when you leave your employer or in the case of hardship, disability or death.	At age 59½ and account must be open five consecutive years or more, when you leave your employer, or in the case of death, disability or unforeseen emergency.
2023 Contribution Limits	\$22,500 combined with Roth 457(b)	\$22,500 combined		\$22,500 combined with 457(b)
2023 Catch-up Provisions	Available on all plans. Ask a representative about the 2023 limits.			

¹. Distributions from contributions are tax-free; distributions from earnings are federally tax-free if certain conditions are met. State tax may apply. ². Early distribution penalty may apply in the case of hardship, disability or death and is 10%.



The SchoolsFirst Retirement Planning Difference

Complimentary Guidance

- Our financial professionals offer complimentary financial consultations, and will help you make decisions with your best interests in mind. They are here to walk you to and through retirement.

Lower Fees

- **No front- or back-end fees** — The same mutual funds purchased elsewhere may have charges on every contribution you make.
- **No transfer fees** — You can transfer money between more than 55 mutual fund options within your plan, fee-free.
- **Plan fees may be lower than a typical money manager.**

Convenient Online Access

Participants can manage their contributions online at pa.schoolsfirstfcu.org.

- Make a salary reduction change to your deferral amount.
- View, update, or change your monthly deferral amounts.

Participants can manage their allocation online at: nationwide.com/schoolsfirst.

- Review investments and make allocation changes.

Federally Insured Investment Option

- The 457(b) plan also offers as an option share certificates that are federally insured by the National Credit Union Administration up to \$250,000.

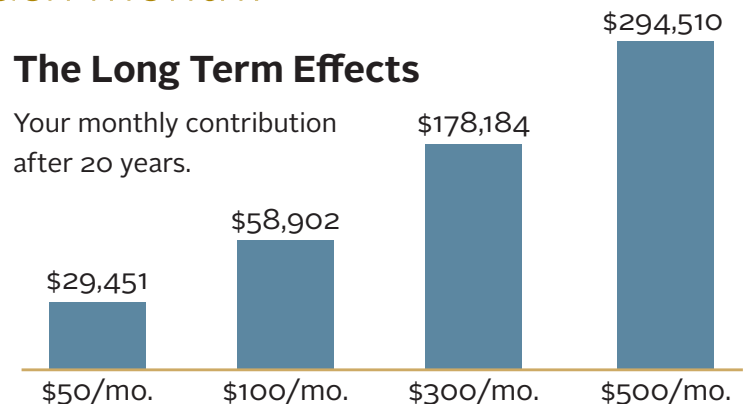
How much should you save each month?

The answer is easy — just start saving. Consider:

- How old are you and at what age would you like to retire?
- What percentage of your final compensation will you receive from CalSTRS and/or CalPERS?
- How much of your paycheck are you comfortable setting aside?

The Long Term Effects

Your monthly contribution after 20 years.



This chart assumes the investor contributes the same amount each month into an investment option that earns a hypothetical rate of return of 8% compounded monthly. Hypothetical example for illustrative purposes only and is not indicative of past or future results for any specific investment. Actual rate of return and results may vary. Regular investing does not ensure a profit or protect against loss in declining markets.

The Advantage of Starting Early

Jim (starts now)	Susan (waits 5 years)
Contributions: \$25,000	Contributions: \$25,000
Earnings: \$21,548	Earnings: \$6,680
Total value: \$46,548	Total value: \$31,680

Hypothetical example for illustrative purposes only and is not indicative of past or future results for any specific investment. Assumes an 8% rate of return if both parties invest for five years over a 10-year period. The example does not reflect any fees or charges that may apply. Actual rate of return and results may vary.

The Advantage of Pre-Tax Savings

Based on a teacher's annual income of \$60,000

403(b)/457(b) Pre-Tax Contribution	\$100/mo.	\$300/mo.	\$500/mo.
Monthly Gross Income	\$5,000	\$5,000	\$5,000
STRS (10.25%)	\$513	\$513	\$513
Federal and State Taxes	\$670	\$613	\$556
Net Pay	\$3,669	\$3,528	\$3,388
Change in Paycheck	\$69	\$210	\$350

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.

Contact us today to schedule your complimentary, no-obligation consultation.



Call 800.462.8328, EXT. 4116



Visit a branch

Items to bring to your appointment:

- ✓ Your most recent pay stub
- ✓ Statements for any existing retirement accounts



This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material.

The financial professionals at SchoolsFirst Retirement Planning are financial advisors with, and securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates. SchoolsFirst Federal Credit Union and SchoolsFirst Retirement Planning are not registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using SchoolsFirst Retirement Planning, and may also be employees of SchoolsFirst Federal Credit Union. These products and services are being offered through LPL or its affiliates, which are separate from, and not affiliates of, SchoolsFirst Retirement Planning or SchoolsFirst Federal Credit Union. Securities and insurance offered through LPL or its affiliates are:

Not Insured by NCUA or Any Other Government Agency	Not Credit Union Guaranteed	Not Credit Union Deposits or Obligations	May Lose Value
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RE: Your 403(b)/ 457(b) Retirement Plan

Dear District Employee:

SchoolsFirst Plan Administration 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 \$22,500 in 2023 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 rpa@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, x 4116, Option 1.

Sincerely,



Jessica Jamison
Vice President, Retirement Planning & Administration