

To: All PSD Employees (Including Substitute Employees)
From: Payroll Services
Date: January 8, 2019
Re: 2019 Universal Availability Notice

In Compliance with the requirements of IRC 403(b)(12)(A)(ii) this Notice will advise you of the voluntary 403(b) and 457(b) programs established and maintained for the benefit of our employees. The following information provides details of the Plan and outlines the procedures for enrollment.

Eligibility

For all employees who are employed by the Palmdale School District.

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 the state employees. School employees have the unique opportunity in contributing to one or both plans. Contributions to these plans and are made directly from your paycheck before taxes are taken out – reducing your tax bill while saving for retirement.

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 are 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. State income taxes may or may not be applicable.

Roth Salary Deferrals. These amounts are also deferred from your paycheck, but are subject to federal and state income taxes. However, when you withdraw monies 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 2019, you may defer from your wages, a maximum of \$19,000 to all 403(b) and 457(b) plans** **unless you are 50 years of age or over, you may be eligible to contribute an additional \$6,000 through catch-up contributions.* Deferrals may not exceed 100% of your wages.

15 Year Catch-Up Contributions. If you meet certain qualifying conditions, you may also be able to defer an additional amount under this option. Special rules apply and documentation of eligibility must be provided before this election will be permitted.

Plan Investment Options

Your contributions to the 403(b) and 457(b) plan must be made to an investment provider approved by your employer. Before enrolling in the plan, you should first establish an account with an approved provider listed on the Palmdale School District website at www.palmdalesd.org. You can search by clicking *Departments, Payroll, and Tax Sheltered Annuity*.

Assistance

You may enroll in the plan or receive assistance with these provisions by contacting the plan's Third Party Administrator, your employer's benefit administrator or a representative for one of the approved investment companies.

The District's Current Third Party Administrator is:

Schools First Federal Credit Union

P.O. Box 11547

Santa Ana, CA 92711-1547

retirement@schoolsfirstfcu.org

800-462-8328 Ext. 4727

<http://pa.schoolsfirstfcu.org/>