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### **403(b) Plan Annual Notice**

#### **To All School District Employees:**

The new school year is an ideal time to make you aware of your eligibility to participate in your employer's 403(b) retirement plan. The 403(b) plan (often called a "tax sheltered annuity" or TSA) is a voluntary plan that allows you to defer a portion of your paycheck to a retirement plan.

This is a great benefit offered by your employer to help you bridge your retirement income gap and lower your taxes. Under federal tax law, you do not have to pay income taxes on your contributions or account earnings until you take the money out of the plan.

Please read below for details on how to enroll and how easy it is to start saving now. Also explore why it is a good idea to invest for retirement.

#### **Why Do I Need to Save if I have Teacher Retirement?**

Your pension may not replace all of your income in retirement. The average retiree receives 60-65 percent of their income at retirement.

For example, if your current salary is \$5,000 per month and your retirement benefit equals 65 percent of your current salary, you will receive \$3,250 each month. However, TRS research indicates that retirees must receive 90-95 percent of their income in retirement to maintain their current standard of living. In the above example the member has a shortfall of \$1,750 per month.

#### **Why Should I Contribute to a 403(b) Plan**

- Bridge your retirement income gap
- Lower your taxes
- Automatic saving; Payroll deducted

\*If you do not have Internet access or need assistance, please call us at (800) 943-9179 and we can assist you with these services by phone. *To make a 403(b) salary reduction election or changes online please follow the instructions below.*

1. Go to [www.region10rams.org](http://www.region10rams.org)
2. Click on "Login to Retirement Solution" on the left side of the screen
3. Choose the Status that applies to you
4. Carefully read the Login Instructions and click on "Login"
  - a. Login according to the instructions
  - b. The Plan password can also be found on your Employer's Summary Plan Description under the Plan Descriptions tab on the homepage.
5. If you have any problems, please call JEM Customer Service at (800) 943-9179

Thank you,

**The JEM Administration Team**