

Annual Notice to Employees of the Opportunity to Make Elective Deferrals to the Meriden School District's 403(b) Plan

All employees working 20 or more hours per week have the right to make elective deferrals to the Meriden School District 403(b) Plan. Contributing to a 403(b) plan helps to ensure that you will have funds to provide yourself with an income during retirement. A 403(b) plan allows you to contribute a portion of your compensation on a pre-tax basis or as a Roth (after-tax) contribution in order to save for your retirement. Contributions are made to the plan by payroll deduction. If you are already contributing to the 403(b) Plan, you may want to increase your deduction.

What are the benefits of contributing to a 403(b) plan?

- The pre-tax elective deferrals that you make to the plan now are not taxed until you withdraw them. This means you are lowering your taxable income now, and will potentially lower the amount of income tax you will pay on those funds at the time of withdrawal when you may be in a lower tax bracket.
- Both your pre-tax elective deferrals and earnings grow tax-free until they are withdrawn.
- Roth (after-tax) contributions are made on an after-tax basis. However, the earnings grow tax free and will be distributed tax free, if the distribution occurs after the end of the five year period that begins with the plan year in which the first contribution is made and the distribution occurs after you are age 59 ½, become disabled or die.

What do I need to do in order to start making elective deferrals?

You will need to make an election regarding how much of your compensation you wish to defer to the 403(b) plan and whether you want to have this contributed on a pre-tax basis or as a Roth (after-tax) contribution. You will also need to determine where you want to invest your contributions. The list of approved vendor(s) and their contact information can be located by visiting:

- The Meriden Public Schools website http://www.meridenk12.org/Departments/Business_Office/Tax_Sheltered_Annuities/ which also has the Salary Reduction Agreement.
- Or, submit a Salary Reduction Form (SRA) on line at our plan administrator, Omni, at <http://www.omni403b.com>

Your financial advisor or the service provider will provide you with the forms that will set up the contract or account with the vendor of your choice. Once you have completed the paperwork provided by your selected financial advisor please forward your SRA to payroll to complete the election process. It is important that you use the forms for Salary Reduction that we provide. We do not accept the service providers' forms. You are entitled to make two changes to your 403B per calendar year. You may do this at any time during the year.

If you are unable to access the website or want additional information, please contact Donna Carnot, Director of Business Services at (203) 630-4170 or email donna.carnot@meridenk12.org.

How much can I contribute to a 403(b) plan?

In 2023, you can make elective deferrals up to \$22,500. If you are over 50 you may make an additional \$7,500 contribution for a total of \$30,000.

In addition to the age 50 catch-up, if you have completed at least 15 years of service with Meriden Schools you *may* be eligible to contribute up to \$3,000 a year above the elective deferral limit until the amount of the cumulative annual additional contributions made using this special rule equals \$15,000. If you have 15 years of service with your employer and want to utilize this additional 15 year of service catch-up contribution no action is required now. Once you have exceeded \$22,500 we will request additional information from you in order to determine the amount you are able to contribute to the 15 year of service catch-up. Participants who are eligible for both the age 50 catch-up rule and the 15 year of service catch-up contribution are required to use the 15 year of service catch-up contribution first.

Other Services

The Meriden Public Schools uses OMNI as our third party administrator for our 403(b) plan. The OMNI Website is www.omni403b.com. There is a 10 minute video called 403B Why Me offered by OMNI, that explains the time value of money and saving for retirement, it explains what a 403(b) plan is, and how to contribute. The OMNI video can be reached at www.403bwhyme.com. If there are any questions, you may contact The OMNI Group at 877-544-6664.