

4/8/2022

WSESU
WSESD
VERNON SD

From: Cindy Symonds, Payroll Officer
Subject: 403(b) Plan Information update
Addition of Vanguard as a Provider
Addition of a Roth 403(b) Plan

Good morning,

A 403(b) plan (tax-sheltered annuity plan or TSA) is a retirement plan offered by public schools. A 403(b) plan lets employees defer some of their salary into individual accounts. The deferred salary is not subject to federal or state income tax until it's distributed. However, a 403(b) plan may also offer designated Roth accounts. Salary contributed to a Roth account is taxed currently but is tax-free (including earnings) when distributed.

Both employees and employers can make contributions to a Roth 403(b) plan. For 2022, employees can make elective salary deferrals of up to \$20,500. An additional catch-up contribution of \$6,500 is allowed for employees aged 50 or older. With the Roth 403(b) you will be able to contribute up to the 403(b) IRS limit. **The limit reflects your total 403(b) contributions, whether pre-tax, Roth after-tax, or a combination.**

Not all of our Providers offer a Roth 403(b). Refer to tsacg.com for a list of those Providers who do offer the Roth 403(b) option. If your Provider does not offer a Roth option you can open an account with a Provider who does. You can make contributions to both types of accounts and to more than one Provider as long as the total employee contribution does not exceed the IRS limit.

Our 403(b) is administered by a third party administrator, also known as a TPA. TSA Consulting Group, Inc. is the TPA that has been hired by our school districts to administer this program effective July 1, 2014.

If you are interested in learning about our 403(b) plan, setting up a new 403(b) account or making a change to your existing 403(b) account, login to www.tsacg.com. We also have a Provider list on the school district website that shows the financial representative name and contact information under "resources", "employee resources", "forms."

IMPORTANT NOTE: Your employer is one of the following three employers within the Supervisory Union. You need to know who your employer is. Please refer to your contract or your paycheck on the pay portal. Setting up your 403(b) plan under the wrong employer can cause big problems, so **please** choose the correct employer. They are as follows:

Windham Southeast Supervisory Union
Windham Southeast School District
Vernon School District

The steps that are involved to set up a 403(b) account are as follows:

1. From the list on the website www.tsacg.com choose a Provider
2. Choose a Financial Representative that you would like to work (Vanguard is online enrollment only) - the list of reps that have asked to be on our list is available at wsesu.org
3. Make an appointment with the Financial Representative who will set up your 403(b) account (exception, Vanguard which is online enrollment only), Prudential has an appointment link at wsesu.org
4. Once your account is set up complete the "Salary Reduction Agreement(s)" (SRA) and forward to Payroll at Central Office. If you choose to scan/email it please do NOT write in your social security number, just write in "on file". If the form asks for "employee ID", we do not require that field to be completed.

Once your account is set up, keep in mind that all future transactions to your 403(b) account MUST go through TSA Consulting Group, Inc, with the exception of the SRA (Salary Reduction Agreement(s), which always comes to payroll. TSA Consulting Group, Inc requires a form to accompany any other forms that you maybe remitting to them. That form is the "Transaction Information" form found on www.tsacg.com under forms.

You can change your contribution amount at any time by completing an SRA (Salary Reduction Agreement) indicating the new total amount that you want to contribute per pay and sending the form to me in payroll. Remember, never write in your full social security number. Either write in "on file" or the last 4 digits. If the form asks for an "employee ID", we do not require that field to be completed.

THE SALARY REDUCTION AGREEMENT FORM: There are 2 types of Salary Reduction Agreement forms. One for a pre-tax employee contribution and one for a Roth after-tax employee contribution. The "Roth" form is clearly marked. Both forms ask for the "403(b) Company/Provider name". You **do not** put in your employer name. You put in the 403(b) company name. Our current list of 403(b) Provider/Company options for setting up a 403(b) are:

- AIG Retirement Services (VALIC)
- Empower Retirement (formerly Prudential)
- Franklin Templeton Mutual Funds
- Horace Mann Insurance Company
- Security Benefit Group
- Vanguard Investments

VANGUARD: Effective March 1, 2022, the three employers within the SU have added Vanguard to the list of Providers available to our employees for setting up a 403(b) account. This is in response to a request to add a Provider who offers a platform of socially responsible investment funds. Setting up an account with Vanguard is done online at vanguard403bservices.com/application. **The first step is to choose your employer. Your employer name is on your contract and is the portal that you access each pay to view your paycheck detail. If you put in the wrong employer, it can cause a big problem, so please be careful to choose the correct employer.** The 403(b) plans at Vanguard for our three employers within the SU are:

- Windham Southeast Supervisory Union – Plan ID # V10091247
- Windham Southeast School District – Plan ID # VG01953
- Vernon School District – Plan ID # VG01954

Once you have completed the application, within 3 to 5 business days you will receive an email from Vanguard to proceed to enroll. Once you log in to the Vanguard website (the link will be in the email), you will follow along to complete all of the necessary steps to set up your account. When you have completed all of the steps, you will need to submit a Salary Reduction Agreement(s) (SRA) to payroll so that payroll will know how much you want to contribute per pay to your 403(b) account. PLEASE MAKE SURE THAT YOU RECEIVE CONFIRMATION THAT YOUR ACCOUNT IS COMPLETELY SET UP AND READY FOR CONTRIBUTIONS before submitting the SRA to payroll. The SRA's can be found at tsacg.com or in the employee pay portal under the link for TSA Consulting. You can scan/email the SRA to me at csymonds@wsesdvt.org but please do NOT write on your social security number, just write in "on file". Some SRA forms ask for an employee ID. We do not require that field to be completed.

I am available for assistance with any questions regarding 403(b) accounts. My direct line is 802-246-1584.