

**2024**  
**ANNUAL**  
**RETIREMENT**  
**BENEFITS**  
**GUIDE**

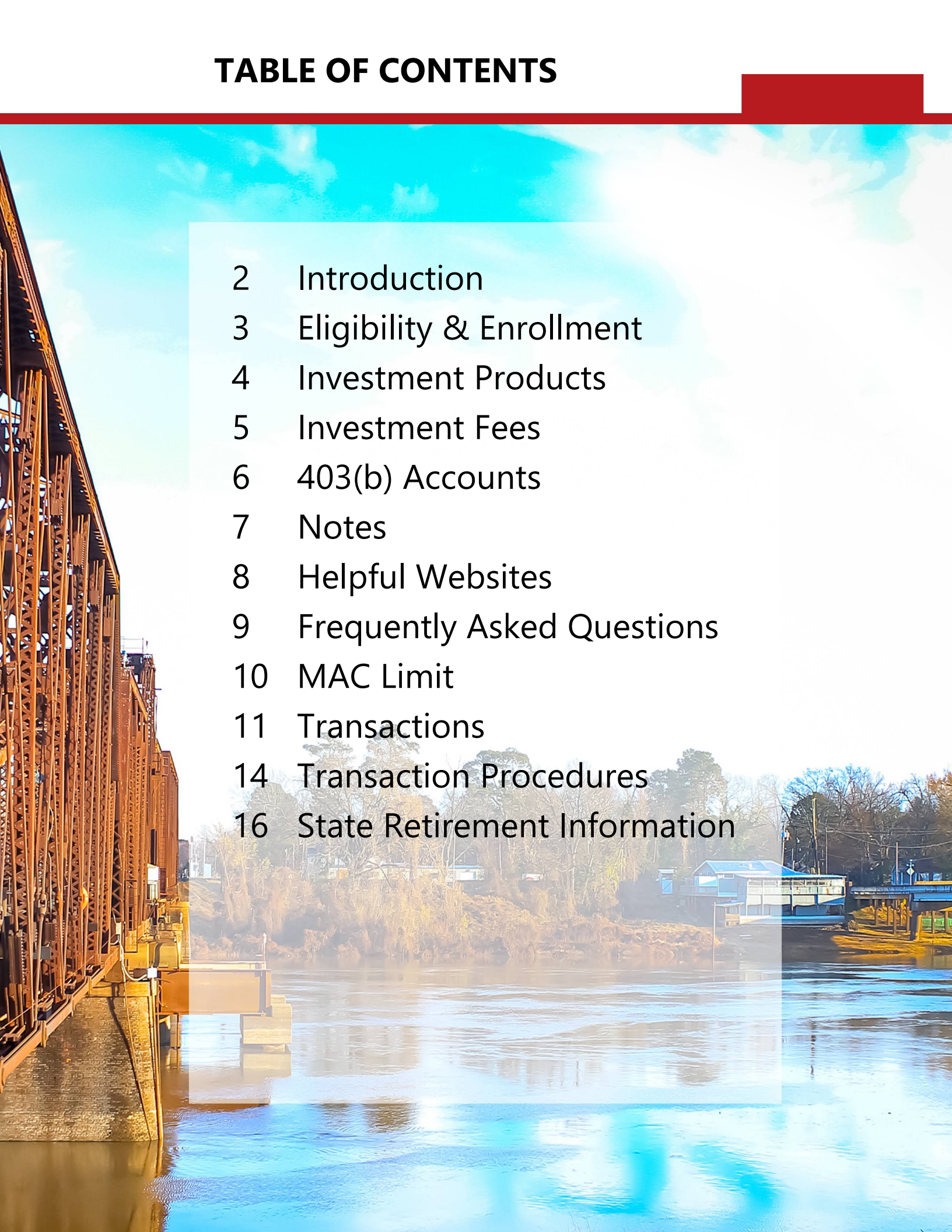


**Northwestern Lehigh School District**

*The information provided by this Guide is intended to explain the benefits and provisions of the retirement savings plan maintained by your employer only. It is not intended to describe or cover any state sponsored retirement plans or other benefits available to you through your employer.*



# TABLE OF CONTENTS

- 
- 2 Introduction
  - 3 Eligibility & Enrollment
  - 4 Investment Products
  - 5 Investment Fees
  - 6 403(b) Accounts
  - 7 Notes
  - 8 Helpful Websites
  - 9 Frequently Asked Questions
  - 10 MAC Limit
  - 11 Transactions
  - 14 Transaction Procedures
  - 16 State Retirement Information



Retirement plans can vary significantly for each individual. In order to help you get ready for your retirement goals, your employer has established a voluntary 403(b) plan that allows all eligible employees to participate through payroll reductions and the online SRA enrollment system. These contributions are calculated and deducted before taxes (or after tax if ROTH plans are allowed by your employer), and your contribution is sent to the investment provider of your choice on your behalf. All you have to do to begin meeting your retirement goal is complete a Salary Reduction Agreement via the online SRA enrollment system at: <https://sra.tsacg.com/>.

Your employer has contracted with U.S. OMNI & TSACG Compliance Services to be the Administrator of these voluntary retirement plans, and we provide several additional online services for your convenience including the following:

- **Employer Specific Web pages** - U.S. OMNI & TSACG Compliance Services provides employer specific web pages on <https://www.tsacg.com> that list the authorized investment providers in the Plan(s) as well as other information pertinent to your employer.
- **Financial Wellness Center** - Explore articles and videos on retirement as well as utilize budgeting calculators to see how much you might need when you retire and so much more.
- **Online Distribution System** – Use this system to obtain approval for allowable transactions. Approval certificates are provided for combination with your investment provider’s forms for submission to their offices.

This book contains valuable information on your employer’s available plans as well as other important information to help you make the most out of your participation. Once you have read through this information, please keep this guide for reference throughout the year.



Please visit U.S. OMNI & TSACG Compliance Services' website to view online video presentations about the different types of retirement plans and the benefits of participation. You will also find (if applicable) salary reduction forms needed for beginning, stopping, or changing a contribution amount on your employer specific page.

<https://www.tsacg.com>





## Are you eligible to participate?

Most employees, with the exception of private contractors, appointed/elected trustees and/or school board members, are eligible to participate in the 403(b) plan immediately upon employment. Please verify if your employer allows student workers to participate in the 403(b) plan. Eligible employees may make voluntary elective deferrals to the 403(b) plan. Participants are fully vested in their contributions and earnings at all times.

## Are you ready to take action?

Once you are ready to participate in a tax sheltered 403(b) plan sponsored by your employer, you should research the authorized Investment Provider(s) and Investment Product(s) available to you. Choose an investment product(s) that is suitable to help you meet your retirement goals and contact an Investment Provider Representative to open an account. *Please note: you may only choose from Providers that are authorized under your employer's plan. A listing of Authorized Investment Providers can be found online via the following link: <https://www.tsacg.com/individual/plan-sponsor/>.*

## Do I need to submit a Salary Reduction Agreement (SRA)?

For those who need to start, change, or stop a contribution, a convenient online system is accessible via the online SRA enrollment system at: <https://sra.tsacg.com/>.

Please be aware that submitting a SRA form through the online SRA enrollment system does not open an account with the selected Investment Provider. You must open an account prior to submitting a SRA form through the online SRA enrollment system. *Please note: the information entered via the online SRA enrollment system will supersede and replace all prior 403(b) elections including the amounts, investment providers, and effective dates.*

U.S. OMNI & TSACG Compliance Services' online SRA enrollment system offers 24/7 access with immediate confirmation of your request submission, convenience to submit start, change, or stop contributions, and Authorized Agent/Representative assistance.

The total annual amount of your contributions must not exceed the Maximum Allowable Contribution (MAC) calculation. The Internal Revenue Service regulations limit the amount participants may contribute annually to tax-advantaged retirement plans. For your convenience, the 2024 MAC limits are printed within this guide, and a MAC calculator is available online at: <https://www.tsacg.com/calculations/mac-calculator>.



There are several types of investment products for tax-advantaged retirement savings. For some employees, the assistance of an investment advisor can be very helpful in understanding how a particular investment product may help you reach your future financial goals and suggest a financial plan (or combination of investment products) suitable to your risk tolerance. The three main types of investment products that may be available through your employer are explained below. Make sure that the investment product you choose fits your timeframe, risk tolerance and financial needs.

## **What are fixed and variable annuities?**

Fixed annuities usually provide for safety of principal and a current interest crediting rate. Variable annuities usually offer both a fixed interest account along with separate accounts that are invested in bond and/or equity markets.

## **What are service based mutual funds and custodial accounts?**

Service Based Mutual Funds are offered by investment management companies and brokerage firms. Participants may direct their contributions to various investment portfolios, which are professionally managed by fund managers. Investment portfolios can include funds from a single fund family or consist of a platform that spans several fund families on a single statement. These mutual funds can include fees to pay investment advisors to assist you with your investment choices and/or financial planning.

## **What are no-load/low fee mutual funds?**

Self-directed Mutual Funds are investments that apply no sales fee to the market-based mutual funds offered, though ongoing investment management fees are charged to the funds selected. These funds are for individuals who do not wish to utilize the services of a local investment advisor. Participants direct the investments among the choices provided by the fund company with these investment products. You can contact the company by calling a toll-free phone number and/or online access.

It is important to understand the investment product prior to investing. A prospectus or other specific material will list the investment's objective along with any associated fees and charges.

Employer policy and administrative requirements allow Investment Providers who meet certain standards and qualifications to provide retirement accounts to employees. The Investment Providers listed on your employer's authorized Investment Provider page at: <https://www.tsacg.com/individual/plan-sponsor/> qualify under the guidelines established by your employer. This list does not reflect any opinion as to the financial strength or quality of product or service for any Investment Provider. Please be aware that this authorized Investment Provider list could change during the year, so please check your employer's specific page at: <https://www.tsacg.com/individual/plan-sponsor/> regularly for updates.

When choosing an investment product it is important to know how fees associated with your product can affect your return.

Identify the fees, sales charges or administrative expenses associated with the account, such as: Disclosure of Fees – Investment providers are required to disclose any fees associated with an investment product. This information may be included in an annuity contract, custodial agreement and/or a Prospectus. So, it is important to read these documents and ask your investment provider to explain each fee that is associated with your account.

Below are a few of the types of fees that are commonly charged. Investment costs, or fees, are usually deducted from the funds in your account.

- Annuity Contract Fee – Usually applies to certain variable annuity products and may be a fixed annual fee. This fee may not apply once your account reaches a certain accumulation balance.
- Custodial Fee – Charged each year by the custodian for holding mutual funds in your account.
- Expense Fee – Charges for investment management, administration, and distribution services associated with investment management of each mutual fund.
- Mortality and Expense Fee (M&E) – Applicable to variable annuities and expressed as a percentage of assets charged each year.
- Wrap Fee – May be added to mutual fund accounts to pay for advisor services.
- Transfer Fee – An amount charged for transferring your funds within a mutual fund family or to another fund.

You may also consider asking the following questions, as well as any others you may have, to help you evaluate what product is best for you.

### **How are the fees and expense charges applied?**

Find out if they are charged to each contribution or to the account balance, etc.

### **Are surrender charges applicable to each payment or to the total account balance? How long does the surrender charge apply? Are surrender charges level, rolling or declining?**

Withdrawal or Surrender Fee – Usually charged during the first few years after creation of your account or after each deposit and applicable only if you withdraw funds or exchange/transfer funds from your account.

### **What is the minimum interest rate and current rate of return for interest bearing accounts?**

Rates will vary for different investment products, so ask your investment provider for further information.

### **What is the historical rate of return for interest bearing accounts, sub-accounts or funds?**

Last twelve months and annual average for the last three, five and ten years, if applicable.

Be advised that the fees listed above are not intended to be a complete list of possible fees. Further, there are no investment products that are completely “fee-free” due to the fact that all investment products must be manufactured, managed, and administered by some entity.





## What are the Benefits of a 403(b) Plan?

Traditional and Roth 403(b) accounts offer similar benefits comparatively but are very different regarding federal tax treatment. During your career, you may participate in either or both of these account types.

- 1) Contributions Deposited into Individual Accounts - You own your account and make all decisions concerning the amount of your retirement savings contributions.
- 2) Convenience of Payroll Contributions - Your employer sends each of your contributions to your selected provider company for deposit.
- 3) High Annual Contribution Limits - For 2024, employees can contribute up to \$23,000 to their 403(b) account. Some employees may qualify for other additional amounts. Information concerning these additional amounts is provided within this Guide.
- 4) Flexible Contributions - You may change the amount of your contribution during the year as allowed by your employer.
- 5) Benefits Paid to Your Beneficiary at Death - All funds in your account are payable to your beneficiary upon your death.

The decision to participate in a 403(b) plan and/or a 457(b) plan should reflect your future financial needs. It is important to note that both traditional and Roth 403(b) accounts are designed for long-term accumulation. You should consult with your financial advisor or tax consultant to determine the potential advantages of traditional and Roth 403(b) accounts.

## How are 403(b) account contributions made?

Contributions made to a traditional 403(b) account are pre-tax reductions from your paycheck. Therefore, your income tax is reduced for every payroll contribution you make. Any earnings on your deposits are tax-deferred until withdrawn, usually during retirement. All withdrawals from traditional 403(b) accounts are taxed during the year of the withdrawal at your income tax rate applicable for that year.

## How are Roth 403(b) account contributions made?

Contributions made to a Roth 403(b) account are after-tax deductions from your paycheck. Income taxes are not reduced by contributions you make to your account. All qualified distributions from Roth 403(b) accounts are tax-free. Any earnings on your deposits are not taxed as long as they remain in your account for five years from the date that your first Roth contribution was made.





# HELPFUL WEBSITES

**These sites are provided for access to additional information concerning your retirement options.**

U.S. OMNI & TSACG Compliance Services

<https://www.tsacg.com>

Obtain employer specific forms, the most up-to-date list of authorized investment providers, benefit information, and more.

A.M. Best Company

<https://web.ambest.com>

A good source of information on company ratings, products, and news.

Administration on Aging

<https://acl.gov>

Pertinent information on retirement, Medicare, and other concerns for retirees.

Choose to Save

American Savings Education Council

<https://www.asec.org>

Valuable information about financial security.

Employee Benefit Research Institute

<https://www.ebri.org>

Provides information on employee benefit programs.

Employee Benefits Security Administration

<https://www.dol.gov/agencies/ebsa>

Information on pensions, COBRA, Plan Sponsors, Compliance, Fraud and more.

Internal Revenue Service

<https://www.irs.gov>

Your #1 Source for tax information including changes to the tax code.

Morningstar

<https://www.morningstar.com>

Follow information on stocks, funds, and factors affecting the stock market.

Social Security Administration

<https://www.ssa.gov>

Find answers to all your questions concerning Social Security.

Standard and Poors Company

<https://www.spglobal.com>

A good source of information on company ratings, fund information, indices, and more.