

# ANNUAL 403(b) PLAN NOTICE

## WHY DO I NEED TO SAVE IF I HAVE CalSTRS OR CalPERS 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, CalSTRS 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
- Easy to start saving now

## 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 current 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 continue reading 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.

## IMPORTANT POINTS ABOUT YOUR 403(b) PLAN:

- A. You may start, stop or change your payroll deduction contribution to the Plan at any time.** The deadline for doing this for each pay period is on the CalSTRS 403bComply website. Go to [www.CalSTRS403bComply.com](http://www.CalSTRS403bComply.com),\* click on PLAN DESCRIPTIONS on the left side of the page and then scroll down to the material for your employer. This will include a simple Summary Plan Description and a payroll schedule.
- B. You may contribute 100% of your compensation up to \$18,000 for 2016 if you are under age 50.** Employees who are age 50 or over at the end of the calendar year can also make catch-up contributions of up to \$6,000 in 2016 beyond the basic limit on elective deferrals. There are no other restrictions on your right to make contributions to the Plan.
- C. To see other Plan features for your employer, such as whether your Plan allows Roth 403(b) contributions, go to the Summary Plan Description as described in item A. above.**

### To make a 403(b) salary reduction election or changes online please:

1. Go to [www.CalSTRS403bComply.com](http://www.CalSTRS403bComply.com).\*
2. Click on LOGIN on the left side of the screen.
3. To make a change to your current salary deferral, click LOGIN and enter your credentials to access your account
4. To enroll in the Plan, click LOGIN next to "I have never been in a plan", enter the plan password listed on the summary plan description for your employer and select BEGIN.

If you have any problems, please call CalSTRS 403bComply Customer Service at 888.892.7494.

\*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.