

Notice to Eligible Employees of Opportunity to Make Elective Deferrals to the Polk County Schools 403(b) Plan

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You have the right to make elective deferrals to the Polk County Schools 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- Both your pre-tax elective deferrals and earnings grow tax-free until they are withdrawn.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 CPI Participant Website at www.cpicrs.com. This list can also be obtained by contacting the CPI Participant Service Center at (877) 488-4040 or email Participant.ServiceCenter@cpicrs.com. The financial advisor representing each vendor will provide you with the forms that will set up the contract or account with the vendor. Once you have completed the paperwork provided by the selected financial advisor please access the CPI Participant Website at <https://www.cpicrs.com> to complete the election process.

If you are unable to access the website or want additional information, please contact the CPI Participant Service Center at (877) 488-4040 or email Participant.ServiceCenter@cpicrs.com.

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

In 2014, you can make elective deferrals up to \$17,500. As this amount is subject to cost of living increases as set by the government, this amount will increase over time. If you will be age 50 or older sometime during the 2014 calendar year, you are eligible to contribute an additional amount that is known as a "age 50 catch-up contribution". The limit on the age 50 catch-up contributions is \$5,500 and can be contributed on top of the deferral limit of \$17,500. Consequently, participants eligible to make the age 50 catch-up contributions can contribute up to \$23,000 to the 403(b) Plan for the 2014 calendar year.

CPI Common Remitter and Compliance Services will be closed on November 28th, November 29th, December 25th, January 1st, Good Friday, Memorial Day, July 4th, and Labor Day and we will be lightly staffed on December 24th and 31st.

For more information on enrolling in your 403(b) Plan, making changes to your current deferral or vendor elections, or any other questions or requests for information, please contact the CPI Participant Service Center at (877) 488-4040 from 7:00 a.m. to 7:00 p.m. Central time, Monday through Friday. You can also send an e-mail to Participant.ServiceCenter@cpicrs.com.