

# ANNUAL 403(b) PLAN NOTICE

## WHY DO I NEED TO SAVE IF I HAVE CalSTRS OR CalPERS RETIREMENT?

Your pension may not meet your retirement income goal. The average retiree receives 50 to 60 percent of their income at retirement. For example, if you earn \$5,000 per month and your retirement benefit is 60 percent of your current salary, you will receive \$3,000 each month. However, according to financial advisors, you could need 80 to 90 percent of your income to maintain your current standard of living in retirement. That means you could have a shortfall of \$1,000 to \$1,500 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 year is a good time to learn about your employer's 403(b) retirement plan, a voluntary tax-deferred savings plan that allows you to direct a portion of your paycheck to a retirement plan for a more secure future.

This great benefit can 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.

Investing for your retirement makes financial sense and it is easy to start saving today!

## 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 INFORMATION on the top of the page, and then you will find your employer listed alphabetically. There you will find a Summary Plan Description, payroll deadline dates, an approved vendor list, and other important plan documents.
- B.** If you are under age 50, you may contribute 100% of your compensation up to \$19,000 for 2019. Employees who are age 50 or over by 12/31/19 can make additional catch-up contributions of up to \$6,000 in 2019, for a total annual limit of \$25,000. 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 at [www.CalSTRS403bComply.com](http://www.CalSTRS403bComply.com).

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

1. Go to [www.CalSTRS403bComply.com](http://www.CalSTRS403bComply.com)\*
2. Click the LEARN MORE button in the Participants section, then click on HOW TO ENROLL.
3. Choose NEW USER or RETURNING USER Instructions to log into your account.
4. Once you have account access, you will be able to set your salary deferral. Keep in mind, you need to set up a vendor account prior to specifying a salary deferral amount to go to that vendor.

**\*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.**