



January 5<sup>th</sup>, 2016

## 403(b) Plan Annual Notice

### To All School District, Charter School, Delaware Department of Education, Delaware Technical & Community College and Delaware State University Employees:

This notice is to inform you of your eligibility to participate in the State of Delaware 403(b) retirement plan. The 403(b) plan (a "tax-sheltered annuity" or TSA plan) is a voluntary plan that allows you to defer a portion of your paycheck to a retirement plan. This benefit is offered to help bridge the retirement income gap and lower your current taxes. Pre-tax contributions can be made into a retirement account for your benefit. Post-tax Roth contributions are also available. \*

#### Why Do I Need This Plan If I Have a Pension Plan?

Your pension may not replace all of your income in retirement. The average retiree receives approximately 60-65 percent of their income at retirement. Research indicates that retirees may need as much as 90-95 percent of their income in retirement to maintain their current standard of living. This difference may result in a significant shortfall for the retiree.

#### Why Should I Contribute to a 403(b) Plan?

- Bridge your retirement income gap
- Lower your current taxes\*
- Easy to enroll and start saving now directly from your paycheck

#### Important points about your 403(b) Plan:

- A. **You may start, stop or change your payroll deduction contribution to the Plan at any time.** There are deadlines for the changes to take effect for a particular pay period. These are available by contacting the Office of the State Treasurer. For more details on the 403(b) plan including enrollment instructions, a list of investment providers with investment options, and specific plan guidelines, please visit <http://treasurer.delaware.gov> and select the Deferred Compensation icon.
- B. **You may contribute up to \$18,000 for 2016 if you are under age 50. Participants age 50 and over can contribute an additional \$6,000 for a total contribution of \$24,000.** Plan limits may change in subsequent years.
- C. **To see other Plan features for the State of Delaware including information about Roth 403(b) contributions, please visit the web site <http://treasurer.delaware.gov> for the full plan document and details.**

*To make a 403(b) salary reduction election or change online, please follow the instructions below.*

1. Go to [www.myretirementmanager.com](http://www.myretirementmanager.com)
2. Select "I'm a New User."
3. Follow the instructions provided and be prepared to provide the following:
  - a. Last Name
  - b. Date of Birth
  - c. Employee ID Number
  - d. Last four Digits of Your Social Security Number
  - e. **After your contribution is set up, you need to contact one of the approved vendors to open your account. Failure to do so will result in your contributions being returned.**
4. For an enrollment guide, please visit <http://treasurer.delaware.gov>, click on Deferred Compensation, and then click on the 403(b) tab and scroll to the bottom page.
5. If you have any problems, please call the Office of the State Treasurer at (302) 672-6700. If you do not have Internet access or need assistance, please call our office and we will be happy to assist you with these services by phone.

Thank You,

The Deferred Compensation Team

*\*It is recommended that you consult with your tax advisor or investment professional to determine which plans is best to achieve your retirement goals and objectives.*