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2018 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. Under current 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 read below for details about the Plan benefits and how to enroll.

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 in retirement. Research indicates that retirees may need 80 percent or more of their current income in retirement to maintain their 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:

- **You may start, stop or change your payroll deduction contribution to the Plan at any time.**
- **You may contribute up to \$18,500 for 2018 if you are under age 50. Participants age 50 and over can contribute an additional \$6,000 for a total contribution of \$24,500.** Plan limits may change in subsequent years.
- **To see other Plan features for the State of Delaware including information about Roth 403(b) contributions, please visit the web site www.delawaredefer.com for the full plan document and details.**

Thank you,

The Contributions and Plan Management Team
Office of the State Treasurer

**Please consult with a tax professional or financial advisor in regards to your personal financial objectives.*