



# Delaware Office of the State Treasurer

820 Silver Lake Blvd., Suite 100, Dover, DE 19904

February 10, 2020

## **2020 State of Delaware 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 plan is voluntary and allows you to defer a portion of your paycheck to a retirement account. This benefit is offered as a supplement to your State pension and social security retirement savings. 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, 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 select investment(s)

### ***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 \$19,500 for calendar year 2020 if you are under age 50. Participants age 50 and over can contribute an additional \$6,500 for a total contribution of \$26,000. Plan limits may change in subsequent years.**
- **To see other Plan features including information about Roth (after tax) contributions, investments, and performance, please visit the web site [www.delawaredefer.com](http://www.delawaredefer.com).**

Thank you,

**The Contributions and Plan Management Team  
Office of the State Treasurer**