



## TAX SHELTER INFORMATION

### 403b & 457 Plans

One of the best benefits an employer can provide is a tax-sheltered annuity plan such as a 403(b) or 457 plan. As an employee of the **Paramus Board of Education**, you have the opportunity to participate in a tax-sheltered retirement savings program.

#### **What are Tax Shelters and the benefits of contributing to a 403(b) or 457 plan?**

Sections 403(b) and 457 of the IRS code refer to tax-advantaged retirement savings plans that allow you to contribute a portion of your wages on a pre-tax basis in order to save for your retirement. Contributions are made to the plan by a payroll deduction.

The pre-tax contributions that you make to the plan are **not** taxed until the funds are withdrawn. This means that you are lowering your taxable income now, while your contributions and earnings grow tax-free until retirement. This is a convenient way of funding your future while enjoying the tax benefits today.

The 403(b) and 457 plans have different plan features that apply to early distributions, hardship distributions, and loans. It is important to review both retirement options before investing in any financial plan or instrument.

Please note that there is no employer match for the 403(b) or 457 plan.

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

In 2020, you can make elective deferrals up to \$19,500. However, if you are age 50 or older during the 2020 calendar year, you are eligible to contribute an additional amount of \$6,500. This is known as an “Age 50 Catch-up Contribution.”

#### **What do I need to do in order to start making my contributions?**

Your first step is to determine a Tax Shelter Annuity Provider and how much you wish to contribute. The table below lists the approved plan providers and their contact information. All of the providers offer various investment options. Their fees, rules, and regulations will also vary so review their prospectus and literature carefully. A plan advisor from the vendor you select will provide you with the information needed to set up your account.

You also must enroll with **Plan Connect**, our Third Party Tax Shelter Administrator, to specify the start date and amount of the contribution you wish to deduct from your wages:

<http://www.planconnect.com>

The first time you log in to Plan Connect, your ID is your Social Security Number (no dashes) and your password is your date of birth (mmddyyyy).

**Approved Sponsors:**

There are five Tax Shelter Annuity Providers approved by the Paramus Board of Education. Each provider offers retirement planning service and will help you develop a retirement program that is unique to your needs.

Please note that the District **cannot** render recommendations on providers or investments. Decisions regarding participation in the TSA program are the sole responsibility of the employee.

<b>TSA Providers</b>	<b>Contact &amp; Phone</b>	<b>Email Address</b>
Equitable	Michael Bassett (201) 390-9322	<a href="mailto:mbassett@tpsfinancial.com">mbassett@tpsfinancial.com</a>
The Legend Group (Lincoln Investment)	Pat Jansen (908) 403-2167	<a href="mailto:pjansen@legendgroup.com">pjansen@legendgroup.com</a>
MetLife	Dina DelRe (908) 812-0751	<a href="mailto:ddelre@financialguide.com">ddelre@financialguide.com</a>
TIAA-CREF	Customer Service (888) 842-7782	<a href="mailto:OPSSupport@tiaff-cref.com">OPSSupport@tiaff-cref.com</a>
AIG Retirement Services (Valic)	Thomas Russo (973) 800-4571	<a href="mailto:thomas.russo1@aig.com">thomas.russo1@aig.com</a>

For information on enrolling in a 403(b) or 457 plan, making changes to contributions, or any other questions, please contact the Payroll Department at ext. 3013.

Feel free to visit our district website at [www.paramus.k12.nj.us](http://www.paramus.k12.nj.us) and select the Staff Only – No Password Required section to obtain additional tax shelter information.



**PARAMUS PUBLIC SCHOOLS**  
**Paramus, New Jersey**