

Platte County R-III School District

403(b) and 457(b)
Retirement Plan




Platte County
TRADITION. PRIDE. VISION.

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Agenda

- 1 Why is the school district plan changing?
- 2 Why participate in the 403(b) plan and/or 457(b) plan?
- 3 What is the difference between a 403(b) plan and a 457(b) plan?
- 4 New plan details
- 5 What if I have an account with a deselected provider?
- 6 Enrollment process



Why is the school
district plan changing?

Why is the school district plan changing?

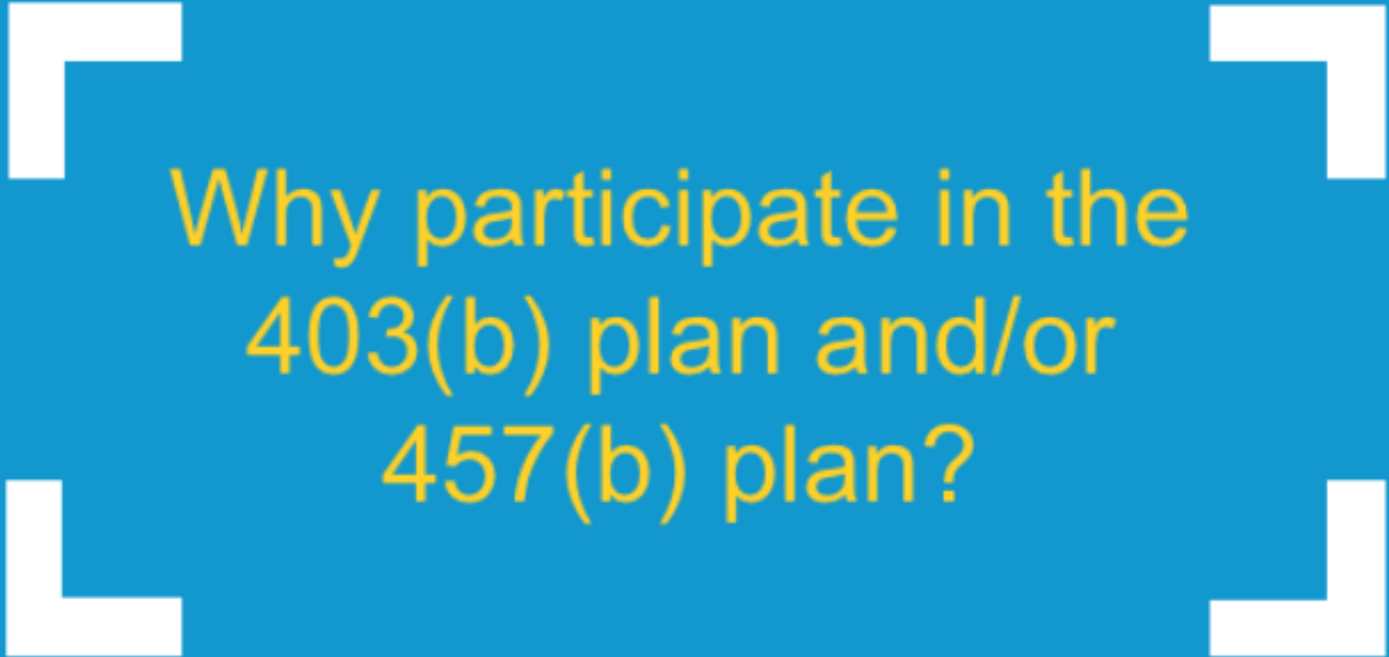
Reasons for adopting a new 403(b) plan/457(b) plan

- Leverage buying power with Consolidated School Districts Retirement Trust (CSD-RT)
- Reduce expenses and fees for employees
- Offer an array of well-known mutual fund options
- Increase participation and financial education for employees

Why is the school district plan changing?

Important dates

- Contributions (payroll money) to all current 403(b) and 457(b) plans will cease effective 12/31/2017
- If you wish to contribute to the 403(b) / 457(b) plan, you must enroll in the new plan
- Contributions (payroll money) to the new 403(b) / 457(b) plan will begin in January 2018
- You may schedule a one-on-one meeting with a VALIC financial advisor if you have questions and/or want to enroll



Why participate in the
403(b) plan and/or
457(b) plan?

Why participate in the 403(b) plan and/or 457(b) plan?

Plan benefits

- Accumulate additional retirement savings
- Pretax contributions or Roth (after-tax) contributions
- Convenient payroll contributions
- Tax-deferred growth
- Ability to buy back years of service in PSRS/PEERS
- Loans available

Why participate in the 403(b) plan and/or 457(b) plan?

Pretax tax advantages

- Contributions reduce your current taxable income
- Contributions grow tax deferred
- You pay income taxes when you withdraw your funds

Example

| | |
|--------------------------------------|----------------|
| Salary before contributions | \$30,000 |
| Annual 403(b) / 457(b) contributions | - \$6,000 |
| Taxable income | = \$24,000 |
| Tax savings (25% fed. / 6% state) | <u>\$1,860</u> |

This information is hypothetical for illustrative purposes. Withdrawals may be subject to withdrawal charges and federal and/or state income taxes. A 10% federal early withdrawal tax penalty may apply if taken before age 59½ in addition to ordinary income tax.

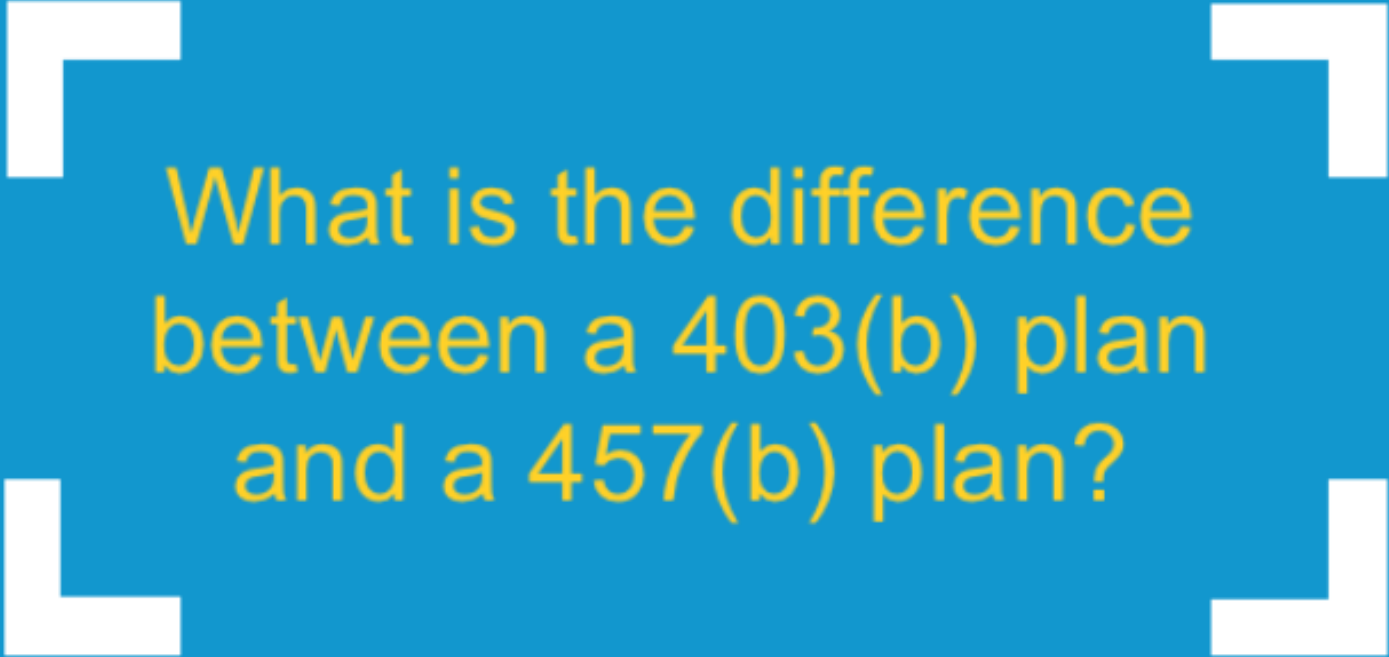
Why participate in the 403(b) plan and/or 457(b) plan?

How contributions affect your take-home pay

| Contribution | Reduced current tax withholding | Change in take-home pay |
|--------------|---------------------------------|-------------------------|
| \$200 | \$40 | \$160 |
| \$100 | \$20 | \$80 |
| \$50 | \$10 | \$40 |

This information is hypothetical for illustrative purposes. Withdrawals may be subject to withdrawal charges and federal and/or state income taxes. A 10% federal early withdrawal tax penalty may apply if taken before age 59½ in addition to ordinary income tax.

Assumes a 25% tax bracket and 6% Missouri state tax.



What is the difference
between a 403(b) plan
and a 457(b) plan?

What is the difference between a 403(b) plan and a 457(b) plan?

457(b) plan features

- No 10% federal early withdrawal tax penalty in the 457(b) plan
- In-service distributions from your contributions can be distributed for certain events:
 - Age 70½
 - Death
 - Unforeseeable emergency

403(b) plan features

- 10% IRS penalty can apply to withdrawals prior to age 59½
- In-service distributions from your contributions can be distributed for certain events:
 - Age 59½
 - Death or disability
 - Financial hardship



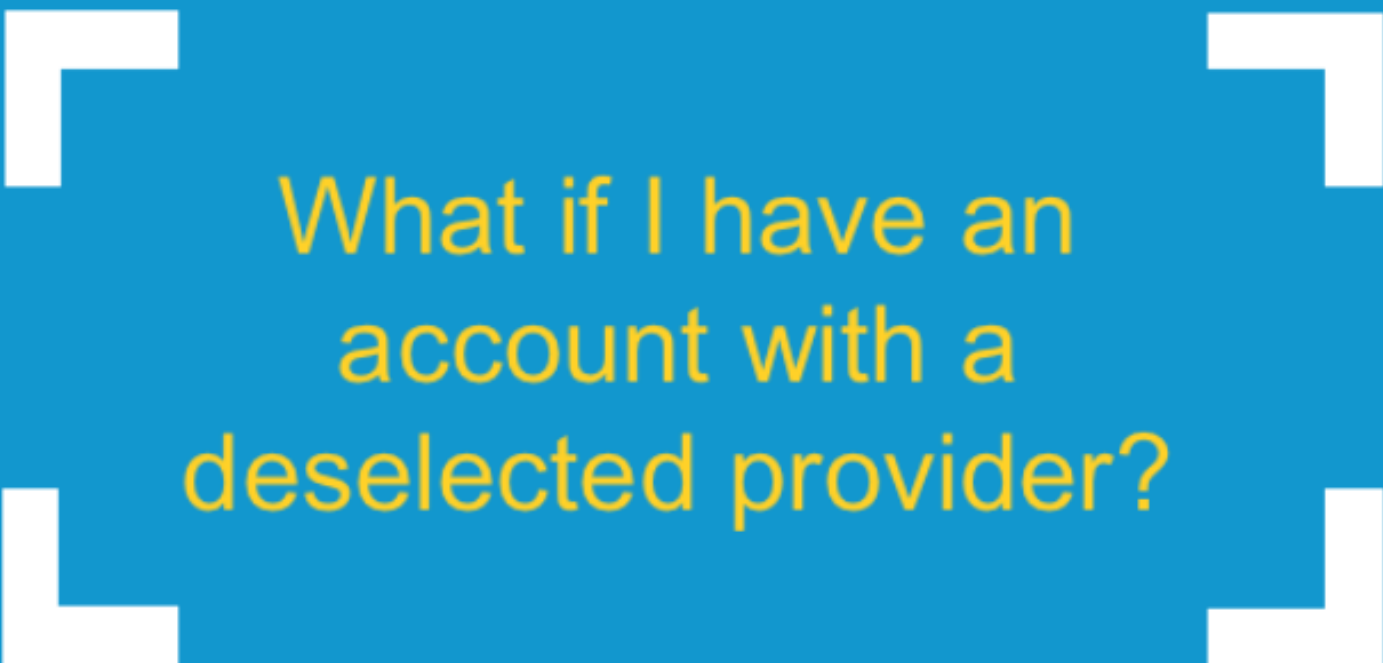
New plan details

New fee features

- Fee transparency
 - Administrative fee - 0.23% of assets
 - Consult fee - 0.09% on assets
 - Service fee - \$5 per quarter
- No surrender charges

Investment options

- 32 well-known mutual funds
 - Vanguard
 - American Funds
 - T. Rowe Price
- Rollovers allowed from de-selected providers (Forrest T. Jones, Waddell & Reed and MetLife)



What if I have an
account with a
deselected provider?

What if I have an account with a deselected provider?

- You may keep your funds in your current plan and continue to use your current advisor for those funds

OR

- You may roll over your current plan's assets into the new 403(b)/457(b) plan. Your current carrier may or may not charge you a surrender fee to roll over your money



Enrollment process

How to enroll in the new plan

Option #1

Schedule an appointment with a VALIC financial advisor

- Bring to appointment
 - Drivers license
 - Statement from deselected company

Option #2

Enroll online by going to:

- VALIC.com
 - Select enroll in the retirement plan
 - Enter your Access Code
 - TBD
 - Follow on-screen instructions
 - For help at any point, call 1-888-569-7055

Enrollment process

The screenshot displays the VALIC FutureFIT website. The header includes the VALIC logo, navigation links (ABOUT VALIC, FINANCIAL EDUCATION, NEWS, CONTACT VALIC), and buttons for SIGN IN and SEARCH. The main banner features a smiling woman and the text "FutureFIT® Freedom. Individually Tailored." with a TAKE A LOOK button. A WELCOME login form is on the right, containing fields for USERNAME and PASSWORD, a SIGN IN button, and a FORGOT USERNAME OR PASSWORD link. Below the banner, a blue bar contains the text "Enroll and start saving in your employer's plan" with an ENROLL button, "OR", "Register to access your VALIC account online" with a REGISTER button, and an AIG logo. The bottom section has a heading "Get FutureFIT" and a paragraph: "Your future is calling. Plan to live it on your terms. Let VALIC show you what we mean by Freedom. Individually Tailored. It's time to get FutureFIT."

VALIC

ABOUT VALIC FINANCIAL EDUCATION NEWS CONTACT VALIC

SIGN IN SEARCH

FutureFIT®
Freedom. Individually Tailored.

TAKE A LOOK

WELCOME

USERNAME

PASSWORD

SIGN IN

FORGOT USERNAME OR PASSWORD

Enroll and start saving in your employer's plan

ENROLL

OR

Register to access your VALIC account online

REGISTER



AIG

WORLD RENOWNED DISCOVER MORE

Get FutureFIT

Your future is calling. Plan to live it on your terms. Let VALIC show you what we mean by Freedom. Individually Tailored. It's time to get FutureFIT.

Enrollment process

 **HELP: 1-888-569-7055**
TDD & Hears

Let's start with your plan.

Enrollment doesn't take long at all. Just give us a few details and we'll get started.

ACCESS CODE

FIND PLAN

Attention: Your privacy is important to us. Want to know more about our privacy policy? It's [right here](#).

Looking for something else?

I am an employee and want access to VALIC online.

SIGN UP



Questions

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Thank you!



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