

**ORANGE WINDSOR SUPERVISORY UNION**  
**403(b) RETIREMENT PLAN**

If you are an eligible employee of a school district within the Orange Windsor Supervisory Union, you are permitted to participate in a 403(b) tax deferred retirement program.

**What is a 403(b) plan?**

A 403(b) plan is a tax-deferred retirement plan available to employees of educational institutions and certain non-profit organizations. In this plan, you can make pre-tax contributions for retirement savings. Distributions generally are only available when you reach age 59 ½ or experience a severance of employment. However, distributions can also be available in the event of financial hardship, death, or disability. Short-term needs also can sometimes be met by non-taxable loans.

**What are the Benefits of Contributing to a 403(b)?**

Participating in your plan can provide a number of benefits, including:

- **LOWER TAXES TODAY** - Your 403(b) contributions are made on a pre-tax basis which can greatly reduce your current income tax bill. For example, if your federal marginal income tax rate is 25%, and if you contribute \$100 a month to a 403(b) plan, you've reduced your federal income taxes by roughly \$25 (assuming a 25% tax bracket). In effect, your \$100 contribution costs you only \$75. The tax savings can grow with the size of your 403(b) contribution.
- **TAX-DEFERRED GROWTH** - Your account in the 403(b) plan are tax-deferred. This means that your account can grow tax-free until time of withdrawal.
- **ENHANCED RETIREMENT** - Other sources of retirement income, such as pension plans and Social Security, if applicable, may not adequately replace a person's pre-retirement salary. A 403(b) retirement plan can provide a supplement to an employee's retirement income.

**To obtain more information**, including information about how to participate, the investments options available under the plan and your eligibility to participate, contact Anne Simoni [payroll/benefits coordinator] at 763-8840 ext 110.