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.