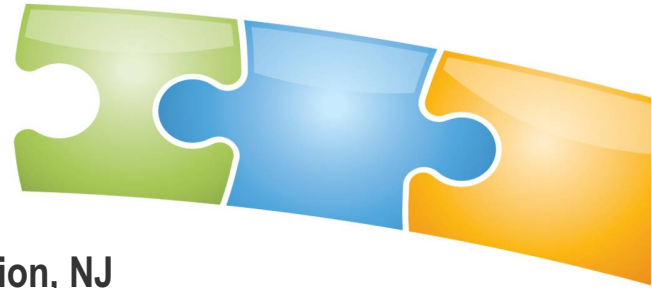


# 2012 403(b) PLAN INFORMATION



The 403(b) Plan is a valuable retirement savings option available through Hammonton Board of Education, NJ. This notice provides a brief explanation of the provisions, policies and rules that govern the 403(b) Plan.

Plan administrative services for the 403(b) Plan are provided by TSA Consulting Group, Inc. (TSACG). Visit the TSACG website ([tsacg.com](http://tsacg.com)) for information about enrollment in the Plan, investment product providers available, distributions, enrollment, exchanges or transfers, 403(b) loans, and rollovers.



## Hammonton Board of Education, NJ

### ELIGIBILITY

All employees with the exception of private contractors, trustees, school board members and student workers are eligible to participate in the 403(b) plan immediately upon employment. Employees may make voluntary elective deferrals to the 403(b) plan. Participants are fully vested in their contributions and earnings at all times.

### EMPLOYEE CONTRIBUTIONS

Upon enrollment, participants designate a portion of their salary that they wish to contribute to their 403(b) account up to their maximum annual contribution amount on a pre-tax basis, thus reducing the participant's taxable income. Salary deferral contributions to the participant's 403(b) account are made from income paid through the employer's payroll system. Taxes on contributions and any earnings are deferred until the participant withdraws their funds.

The Internal Revenue Service limits the amount participants may contribute annually to tax-advantaged retirement plans and imposes substantial penalties for violating contribution limits.

**The Basic Contribution Limit for 2012 is \$17,000.**

Additional provisions allowed if selected by the employer:

**The Service-Based Catch Up Amount** - special catch-up provisions allow participants to make additional contributions if, as of the preceding calendar year, the participant has 15 or more full years of employment with the employer, and the participant's cumulative 403(b) plan contributions (not including earnings) total less than the limit.

**Age-Based Additional Amount** - Participants who are age 50 or older any time during the year qualify to make an additional contribution.

Participants choose the authorized investment provider and the investment options in which they want to invest their contributions. Participants may start, stop, or change the amount of their contributions to their account subject to the employer's plan provisions and payroll deadlines. Participants may also redirect future 403(b) account contributions to one or more of the investment options.

TSACG monitors 403(b) plan contributions and notifies the employer in the event of an excess contribution.

### EMPLOYEE INFORMATION STATEMENT

Participants in defined contribution plans are responsible for determining which, if any, investment vehicles best serve their retirement objectives. The 403(b) Plan assets are invested solely in accordance with the participant's instructions. The participant should periodically review whether his/her objectives are being met, and if the objectives have changed, the participant should make the appropriate changes. Careful planning with a tax advisor or financial planner may help to ensure that the supplemental retirement savings plan meets the participant's objectives.

## ENROLLMENT

Employees who wish to enroll in the employer's Supplemental 403(b) Retirement Plan must first select the authorized investment provider and investment product best suited for their 403(b) account. Upon establishment of the account with the selected authorized investment provider, a "Salary Reduction Agreement" (SRA) form and any disclosure forms must be completed and submitted to the employer. This form authorizes the employer to withhold 403(b) contributions from the employee's pay and send those funds to the authorized Investment Provider on their behalf. A SRA must be completed to start, stop or modify contributions to a 403(b) account.

Please note: The total annual amount of a participant's contributions must not exceed the Maximum Allowable Contribution (MAC) calculation. For convenience, a MAC calculator is available on the Internet at <https://www.tsacg.com/mac/index.asp>.

## PLAN DISTRIBUTION TRANSACTIONS

Distribution transactions may include any of the following: loans, transfers, rollovers, exchanges, hardships or distributions. Participants may request these distributions by completing the necessary forms obtained from the authorized investment provider and plan administrator as required. All completed forms should be submitted to the plan administrator for processing.

# HOW CAN YOU BRIDGE THE GAP?



## TSA Consulting Group

Plan Administrator Contact Information

28 Ferry Rd. SE

Ft. Walton Beach, FL 32548

Toll-free: 1-888-796-3786 Option 2

Toll-free fax: 1-866-741-0645

Website: <https://www.tsacg.com>

## 403(b) PLAN LOAN PROGRAM

Participants may be eligible to borrow their 403(b) plan accumulations depending on the provisions of their 403(b) account contract and provisions of the employer plan. If loans are available, they are generally granted for a term of five years or less (general-purpose loans). Loans taken to purchase a principal residence can extend the term beyond five years depending on the provisions of their 403(b) account contract and provisions of the employer. Details and terms of the loan are established by the provider. Participants must repay their loans through monthly payments as directed by the provider. Prior to taking a loan, participants should consult a tax advisor.

## PLAN-TO-PLAN TRANSFERS

These types of account transfers, if allowed, involve the movement of the account from one employer's plan to another.

## INVESTMENT PROVIDER INFORMATION

A current list of authorized 403(b) Investment Providers and current employer forms are available on the employer's specific Web page at <https://www.tsacg.com>.

## DISTRIBUTIONS

Distribution rules are dependent on the participant's employment status. The Internal Revenue Service restricts 403(b) plan distributions for participants who are currently employed. A participant may not take a distribution of plan accumulations without tax penalty unless they have attained age 59½ or separated from service in the year in which they turn 55 or older. Rollovers are classified as distributions from the plan and are allowed for employees who have reached age 59½ or are separated from service.

## ROLLOVERS

Employees who have separated from service or attained age 59½ may rollover assets from the current plan to any IRS allowable qualified plan, such as an IRA, other 403(b) plan, existing 401(k), etc. Rollovers are normally distributed from one employer's plan account to one of these other qualified investment accounts. Some Plan distributions are not eligible for rollover including required minimum distributions, refunds of excess contributions (plus earnings), systematic withdrawals, and hardship withdrawals.

## EXCHANGES

Participants may exchange account accumulations from one 403(b) investment provider to another 403(b) investment provider that is authorized under the plan, however there may be limitations affecting exchanges. Please contact TSA Consulting Group, Inc. for specific exchange information. While this is a feature allowable under the Plan, you should be aware of any charges or penalties that may exist in individual investment contracts prior to exchange.

## HARDSHIP WITHDRAWALS

Participants may be able to take a hardship withdrawal in the event of an immediate and heavy financial need. According to IRS Safe Harbor regulations, to be eligible for a hardship withdrawal, a participant must have exhausted all other available financial resources. The participants must also verify and provide evidence, according to IRS Safe Harbor regulations, that the distribution is being taken for one or more of the following reasons: eligible medical expenses; the purchase of a principal residence (excluding mortgage payments); tuition payments and/or room and board for the next 12 months of post-secondary education for the participant, his/her spouse or dependents; payments necessary to prevent foreclosure on the mortgage of, or eviction from, a principal residence; funeral expenses for a family member; or loss or damage as a result of a natural disaster (for example, an earthquake). After receiving a hardship withdrawal, the participant may not make voluntary contributions to their 403(b) account for six months.