

## 2022 Annual Retirement Benefits Guide



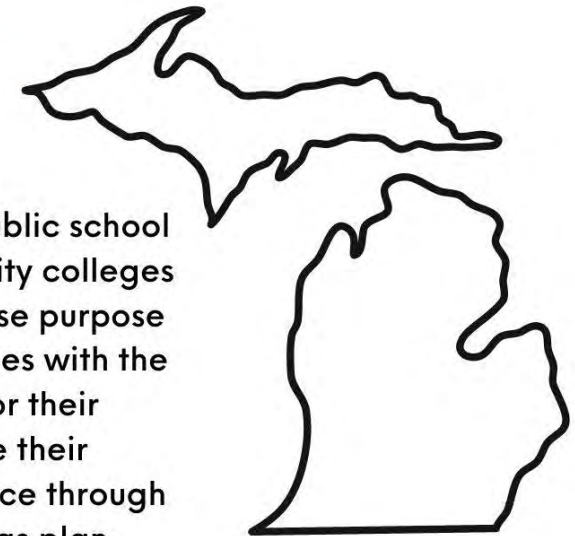
### Waverly Community Schools



*The information provided by this Guide is intended to explain the benefits and provisions of the retirement savings plan maintained by your employer only. It is not intended to describe or cover any state sponsored retirement plans or other benefits available to you through your employer.*

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MRIC is a group of public school districts and community colleges across Michigan whose purpose is to provide employees with the opportunity to save for their retirement and ensure their financial independence through a supplemental savings plan.

Our goal is to create the optimal retirement plan experience for all of our participants.



[www.MRIConsortium.org](http://www.MRIConsortium.org)

*Let MRIC's team of professionals assist in planning an investment strategy to help secure your retirement future.*







Retirement plans can vary drastically for each individual. In order to help you get ready for your retirement goals, your employer has established a voluntary 403(b) and/or 457(b) plan that allows all eligible employees to participate through payroll reductions. These contributions are calculated and deducted before taxes (or after tax if ROTH plans are allowed by your employer), and your contribution is sent to the investment provider of your choice on your behalf. All you have to do to participate is complete a Salary Reduction Agreement for your employer and a few enrollment documents with the investment provider company to open your account with them directly.

Your employer has contracted with U.S. OMNI & TSACG Compliance Services to be the Administrator of these voluntary retirement plans, and we provide several additional online services for your convenience including the following:

- **Employer Specific Web pages** - U.S. OMNI & TSACG Compliance Services provides employer specific web pages on <https://www.tsacg.com> that list the authorized investment providers in the Plan(s) as well as other information pertinent to your employer.
- **Financial Wellness Center** - Explore articles and videos on retirement and day-to-day preparations as well as utilize budgeting calculators to see how much you might need when you retire and so much more.
- **Online Distribution System** – Use this system to obtain approval for an allowable distribution transaction. Approval certificates are provided for combination with your investment provider's forms for submission to their offices.

This book contains valuable information on your employer's available plans as well as other important information to help you make the most out of your participation. Once you have read through this information, please keep your book in a safe location for reference throughout the year.

Please visit U.S. OMNI & TSACG Compliance Services' website to view online video presentations about the different types of retirement plans and the benefits of participation. You will also find (if applicable) salary reduction forms needed for beginning, stopping, or changing a contribution amount on your employer specific page.



<https://www.tsacg.com>

### Are you eligible to participate?

Most employees are eligible to participate in the 403(b) and/or 457(b) plan(s) upon hire. However, if you are a private contractor, trustee, school board member, and/or student worker, you are not eligible to participate in the 403(b) plan. If you participate in a supplemental retirement plan through your employer, you are fully vested in your contributions and earnings at all times.

### Are you ready to take action?

Once you are ready to participate in your employer's 403(b) and/or 457(b) plan(s), you should research the authorized Investment Provider(s) and Investment Product(s) available to you. Choose an investment product(s) that is suitable to help you meet your retirement goals and contact an Investment Provider Representative (if applicable) to open an account. You may only choose from Providers that are authorized under your employer's plan. A current list of your authorized Investment Providers is located at:

<https://www.tsacg.com/individual/plan-sponsor>.

### How do you enroll?

After establishing your retirement account, you must complete a Salary Reduction Agreement (SRA) form for your 403(b) account, and/or a Deferred Compensation enrollment form for your 457(b) account. These forms authorize your employer to withhold contributions from your pay, and send the funds to your selected Investment Provider on your behalf.

The SRA form and/or Deferred Compensation enrollment form is necessary to begin or modify contributions, change allocations between Investment Providers, change the total amount of contributions, or end payroll contributions. These forms are available for download or printing at: <https://www.tsacg.com/individual/plan-sponsor>.

Please be aware that submitting a SRA form does not open an account with the selected Investment Provider. You must contact an Investment Provider Representative/Investment Provider to open an account with your selected Investment Provider prior to submitting a SRA form.

The total annual amount of your contributions must not exceed the Maximum Allowable Contribution (MAC) calculation. The Internal Revenue Service regulations limit the amount participants may contribute annually to tax-advantaged retirement plans. For your convenience, the 2022 MAC limits are printed within this guide and a MAC calculator is available online at: <https://www.tsacg.com/calculations/mac-calculator>.



### What are the Benefits of 403(b) and 457(b) plans?

There are many benefits to contributing to 403(b) and 457(b) plans.

- 1) Contributions Deposited into Individual Accounts - You own your account and make all decisions concerning the amount of your retirement savings contributions.
- 2) Convenience of Payroll Contributions - Your employer sends each of your contributions to your selected provider company for deposit.
- 3) High Annual Contribution Limits - For 2022, employees can contribute up to \$20,500 to their account. Some employees may qualify for other additional amounts. Information concerning these additional amounts is provided within this Guide.
- 4) Flexible Contributions - You may change the amount of your contribution during the year as allowed by your employer.
- 5) Benefits Paid to Your Beneficiary at Death - All funds in your account are payable to your beneficiary upon your death.

It is important to note that these accounts are designed for long-term accumulation. You should consult with your financial advisor or tax consultant to determine the potential advantages of a traditional 403(b) and/or 457(b) account.

### How are traditional 403(b) & 457(b) account contributions made?

Contributions made to a traditional 403(b) or 457(b) account are pre-tax reductions from your paycheck. Therefore, your income tax is reduced for every payroll contribution you make. Any earnings on your deposits are tax-deferred until withdrawn, usually during retirement. All withdrawals from traditional 403(b) or 457(b) accounts are taxed during the year of the withdrawal at your income tax rate applicable for that year.

If you choose to participate in both a 403(b) and a 457(b) account, you may contribute up to the maximum allowable limit for each plan every calendar year. You can defer a maximum of \$20,500 to a 403(b) account and \$20,500 to a 457(b) account for a total of \$41,000 during the calendar year. These amounts could be higher for employees who qualify for additional amounts defined under the plan.

### What are the provisions for 403(b) & 457(b) accounts?

Qualified retirement plans, such as 403(b), 401(k) and IRAs apply additional taxes on distributions prior to age 55 and separation from service or attainment of age 59½.

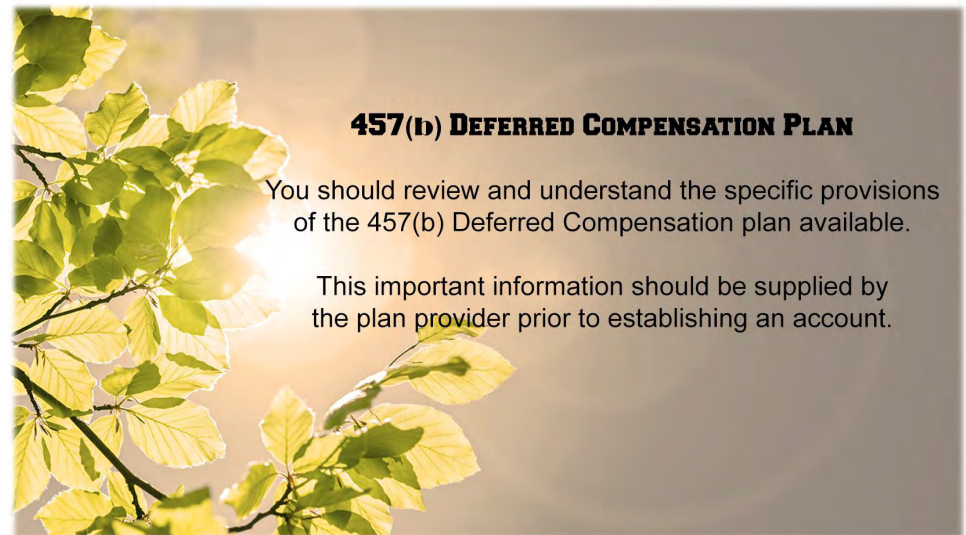
Provisions for distributions from 457(b) accounts differ from provisions for 403(b) plans. You may elect to take distributions at any time after separation from service, regardless of age, or defer distributions until age 72. Distributions will be subject to normal income tax during the year in which they are received.

The decision to participate in a 403(b) plan and/or a 457(b) plan should reflect your future financial needs. For example, if you plan to retire and begin withdrawals prior to age 55, you may benefit from special 457(b) rules which allow these withdrawals without incurring a 10% tax surcharge applicable to qualified retirement plans such as 403(b) and 401(k).

### How are Roth 403(b) & 457(b) contributions made?

Contributions made to a Roth account are after-tax deductions from your paycheck and are subject to limit coordination with traditional accounts. Income taxes are not reduced by contributions you make to your account. All qualified distributions from Roth accounts are tax-free. Any earnings on your deposits are not taxed as long as they remain in your account for five years from the date that your first Roth contribution was made. Roth 403(b) distributions may be taken if you are 59½ (subject to plan document provisions) or at separation from service, while Roth 457(b) distributions may be taken once you have separated from service.

*Please note, you should speak with your financial advisor to determine how participation can help meet future financial goals.*



### 457(b) DEFERRED COMPENSATION PLAN

You should review and understand the specific provisions of the 457(b) Deferred Compensation plan available.

This important information should be supplied by the plan provider prior to establishing an account.

There are several types of investment products for tax-advantaged retirement savings. For some employees, the assistance of an investment advisor can be very helpful in understanding how a particular investment product may help you reach your future financial goals and suggest a financial plan (or combination of investment products) suitable to your risk tolerance. The three main types of investment products that may be available through your employer are explained below. Make sure that the investment product you choose fits your timeframe, risk tolerance and financial needs.

#### **What are fixed and variable annuities?**

Fixed annuities usually provide for safety of principal and a current interest crediting rate. Variable annuities usually offer both a fixed interest account along with separate accounts that are invested in bond and/or equity markets.

#### **What are service based mutual funds and custodial accounts?**

Service Based Mutual Funds are offered by investment management companies and brokerage firms. Participants may direct their contributions to various investment portfolios, which are professionally managed by fund managers. Investment portfolios can include funds from a single fund family or consist of a platform that spans several fund families on a single statement. These mutual funds include fees to pay investment advisors to assist you with your investment choices and/or financial planning.

#### **What are no-load/low fee mutual funds?**

Self-directed Mutual Funds are investments that apply no sales fee to the market-based mutual funds offered, though ongoing investment management fees are charged to the funds selected. These funds are for individuals who do not wish to utilize the services of a local investment advisor. Participants direct the investments among the choices provided by the fund company with these investment products. You can contact the company by calling a toll-free phone number and/or online access.

It is important to understand the investment product prior to investing. A prospectus or other specific material will list the investment's objective along with any associated fees and charges.

Employer policy and administrative requirements allow Investment Providers who meet certain standards and qualifications to provide retirement accounts to employees. The Investment Providers listed on your employer's authorized Investment Provider page located at: <https://www.tsacg.com/individual/plan-sponsor/> qualify under the guidelines established by your employer. This list does not reflect any opinion as to the financial strength or quality of product or service for any Investment Provider. Please be aware that this authorized Investment Provider list could change during the year, so please check your employer's specific pages at: <https://www.tsacg.com/individual/plan-sponsor/> regularly for updates.

When choosing an investment product it is important to know how fees associated with your product can affect your return.

Identify the fees, sales charges or administrative expenses associated with the account, such as: Disclosure of Fees – Investment providers are required to disclose any fees associated with an investment product. This information may be included in an annuity contract, custodial agreement and/or a Prospectus. So, it is important to read these documents and ask your investment provider to explain each fee that is associated with your account.

Below are a few of the types of fees that are commonly charged. Investment costs, or fees, are usually deducted from the funds in your account.

- Annuity Contract Fee – Usually applies to certain variable annuity products and may be a fixed annual fee. This fee may not apply once your account reaches a certain accumulation balance.
- Custodial Fee – Charged each year by the custodian for holding mutual funds in your account.
- Expense Fee – Charges for investment management, administration, and distribution services associated with investment management of each mutual fund.
- Mortality and Expense Fee (M&E) – Applicable to variable annuities and expressed as a percentage of assets charged each year.
- Wrap Fee – May be added to mutual fund accounts to pay for advisor services.
- Transfer Fee – An amount charged for transferring your funds within a mutual fund family or to another fund.

You may also consider asking the following questions, as well as any others you may have, to help you evaluate what product is best for you.

#### **How are the fees and expense charges applied?**

Find out if they are charged to each contribution or to the account balance, etc.

#### **Are surrender charges applicable to each payment or to the total account balance? How long does the surrender charge apply? Are surrender charges level, rolling or declining?**

Withdrawal or Surrender Fee – Usually charged during the first few years after creation of your account or after each deposit and applicable only if you withdraw funds or exchange/transfer funds from your account.

#### **What is the minimum interest rate and current rate of return for interest bearing accounts?**

Rates will vary for different investment products, so ask your investment provider for further information.

#### **What is the historical rate of return for interest bearing accounts, sub-accounts or funds?**

Last twelve months and annual average for the last three, five and ten years, if applicable.

*Be advised that the fees listed above are not intended to be a complete list of possible fees. Further, there are no investment products that are completely "fee-free" due to the fact that all investment products must be manufactured, managed, and administered by some entity.*





### It's Simple to Begin With QuickENROLL:

QuickENROLL is a tool that enables employees to quickly enroll in a 403(b) account. This program is offered in several Michigan districts with many more on the way. Simplify your plan enrollment.

[www.myquickenroll.com](http://www.myquickenroll.com)



### MEET WITH AN INVESTMENT PROVIDER

- Visit the investment provider's website.
- Review the financial products each investment provider offers.
- Review the MRIC report cards for each investment provider. Look at the performance of their investment options but also at the fees and expenses. Your financial plan will shape your retirement, so take some time to make sure that it's safe, sound, and will meet your goals.
- Check with your colleagues to see what they think of the company, its investment options, and its service.
- Representatives can contact you with more information about their firms and the investment options available to you. When you're ready visit:

[www.mricconsortium.org/enroll-now/](http://www.mricconsortium.org/enroll-now/).

### Start Protecting Your Future

Take control of your financial decisions and challenges by using the excellent resources at the Financial Wellness Center. You'll find videos, financial calculators, and helpful articles.

[mric.myfinancialwellnesscenter.com/](http://mric.myfinancialwellnesscenter.com/)



Many Michigan school districts and colleges have joined the Michigan Retirement Investment Consortium (MRIC) in order to take advantage of the buying power that could not be gained by employers acting alone. To date, more than 250 employers have joined the consortium. MRIC was formed to negotiate better 403(b) pricing and products for employees of the member districts. All Investment Providers were chosen through a Request For Proposal process by the MRIC Board that consisted of representatives from local districts and RESA's/ESA's/ESD's/ISD's throughout the Consortium. The Consortium compared 403(b) companies based on product, performance, and fees. The goal is to offer participants high quality products with competitive fees and great service.

#### Investment Providers

MRIC negotiated with insurance companies, mutual funds and brokerage firms to gain access to investment products and services that are priced competitively. The consortium completed a thorough provider selection process in 2008 that identified six "best of class" or Core investment product providers. Each of the six MRIC selected providers is available in your 403(b) plan. Please visit <https://www.tsacg.com> for a complete list of your Investment Providers.

#### Core Investment Providers

These Core Investment Providers offer service based annuity and custodial account platforms with some no-load options. The breadth of investment products available through these options allows employees the choice of any fund or investment option offered by that provider, with financial representatives, either in person or over the phone, available to help the employees manage their long term investments if needed. The Core Investment Providers chosen are as follows:

#### **AIG Retirement Services – 1-877-754-1113**

Variable annuities with fixed interest options and a mutual fund platform

#### **GLP & Associates – 1-877-457-9467**

Mutual fund platform with fixed interest options

#### **Lincoln Investment – 1-888-844-7872**

Mutual fund platform

#### **MEA Financial Services – 1-800-292-1950**

Variable annuities with fixed options and a mutual fund platform

#### **Midwest Capital Advisors – 1-877-269-4032**

Low cost mutual fund platform

#### **PlanMember Services – 1-877-769-4032**

Mutual fund platform with fixed interest options

#### "Addition to the Core" Investment Providers

While the Core options cover the array of investments available to employees, some districts have local issues that call for adding investment providers to their offering to employees. As part of the Interlocal agreement, districts were encouraged to limit the number of "Addition to the Core" Investment Providers. These Investment Providers were required to meet compliance tests and were required to agree to the terms of the MRIC Board as agreed to by the Core plus Single Source Investment Providers. For a list of these additional Investment Providers, please visit your employer's specific Web page at <https://www.tsacg.com/individual/plan-sponsor>.



AIG Retirement Services



## Smarter choices for a brighter future.

AIG Retirement Services is proud to be a core provider of 403(b) and 457(b) retirement accounts for the Michigan Retirement Investment Consortium (MRIC).

### Discover our full retirement and financial planning services

- Experienced local financial professionals
- Financial planning solutions at no cost or obligation
- An array of investment options including low-cost no-load funds
- Online financial education and free live webinars
- A history of innovation, well-known products and personalized service

Call the MRIC hotline at 877-754-1113, our district office at 248-754-1113 or visit [aig.com/RetirementServices](http://aig.com/RetirementServices) for more information.

### We see the future in you.<sup>SM</sup>

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Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.

AIG Retirement Services represents AIG member companies — The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries, VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO).

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## EDUCATING YOUR MONEY FOR OVER 50 YEARS

The GLP Family of Companies has been helping to meet the retirement needs of public education employees and non-profit professionals for over 50 years.

GLP Financial Group offers the following services:

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Wealth Management

[GLPFINANCIALGROUP.COM](http://GLPFINANCIALGROUP.COM)

248-489-0101

[INFO@GLPWINS.COM](mailto:INFO@GLPWINS.COM)

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## ARE YOU SURE YOU'VE MADE THE RIGHT RETIREMENT DECISIONS?

Get a second opinion from a professional looking out for your best interest.

Don't just 'set it and forget it' with your valuable retirement savings.

You can now access an additional layer of financial advisory service on your accounts. Why try to invest alone when you could have a team of experienced professionals continually monitoring your investments?

### START PLANNING FOR YOUR FUTURE.

At M3, we offer online, phone, and in-person account review options so you are always informed on your finances.



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## Helping you plan today for tomorrow

MEA Financial Services is the name to remember for information, products and services that may help you achieve security and financial well-being. We provide competitive retirement and insurance programs designed specifically for you, the Michigan education professional. MEA Financial Services is a benefit of your MEA membership.

We are MEA Financial Services, and we are here just for you.

MEA Financial Services Representatives are available to assist in this process and help with your changing needs. We can't predict the future, but we can help you prepare for it. Call toll-free at 1 (800) 292-1950 or log on today at [meafs.com](http://meafs.com)

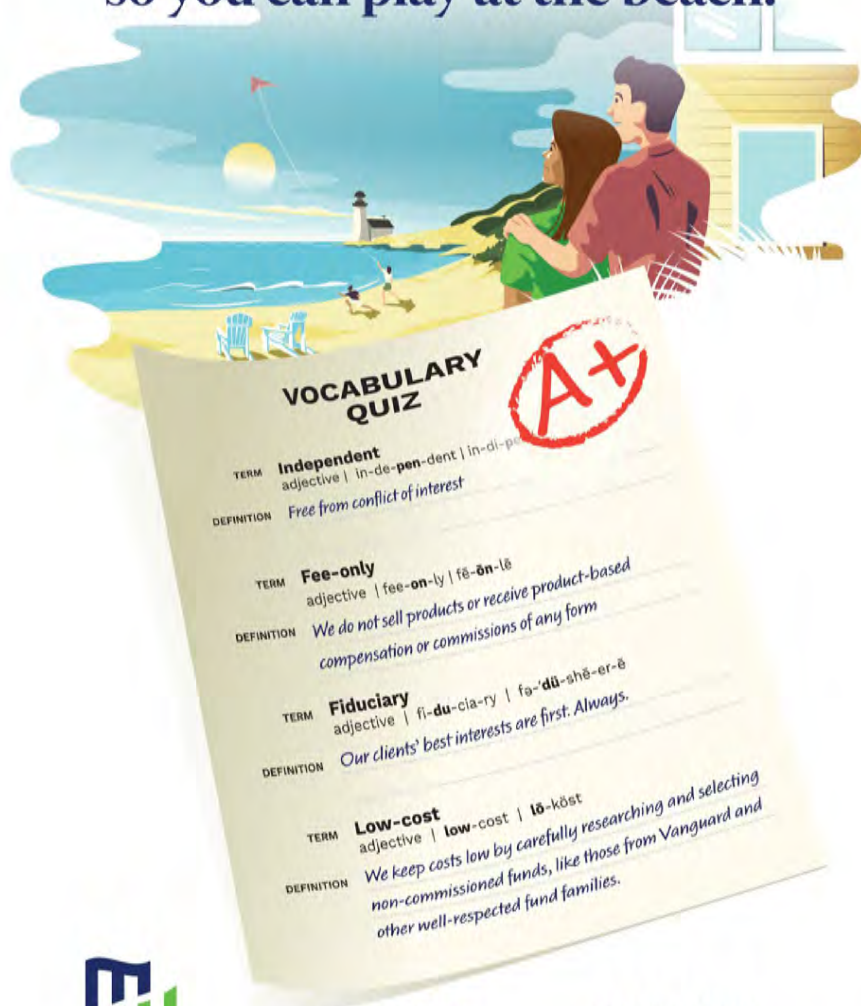
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so you can play at the beach.



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Unsure about what  
to do? We can help.

PlanMember is an authorized provider in your district's 403(b)/457(b) plan and offers diverse investment and annuity choices along with the personalized retirement planning support to help you realize a secure financial future.



[lifetraxx@williams-co.com](mailto:lifetraxx@williams-co.com)  
[planmember.media/williams-co-mric](http://planmember.media/williams-co-mric)

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**Can loans\* be taken out on a 403(b) account?**

Depending on the provisions of your 403(b) account contract and the provisions of the employer's plan, you may be eligible to take a loan from your 403(b) account.

If available, general-purpose loans are generally granted for a term of five years or less, and loans taken to purchase a principal residence may be longer than five years.

Details and terms of a loan are established by the provider and/or the plan. Participants must repay loans through regular payments as directed by the provider and/or the plan. Loans are generally not permissible to participants who have an outstanding defaulted loan in any retirement plan maintained by the employer.

*NOTE: 457(b) loan provisions are similar to 403(b) provisions. However, not all Investment Providers offer 457(b) loans.*

**Can retirement account balances be exchanged?\***

Participants may exchange retirement account balances 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, and participants should be aware of any charges or penalties that may exist in individual investment contracts prior to exchange.

*NOTE: Exchanges between 457(b) Investment Providers are similar to 403(b) exchanges.*

**When do the required minimum distributions begin?**

You must begin receiving minimum distributions from the Plan by April 1 following the year you turn age 72, or if later, the year in which you retire.

**What is a qualified domestic relation order?**

A Qualified Domestic Relation Order (QDRO) is a legal judgment, decree or order that provides a participant's spouse, former spouse, child, or dependent with all or a portion of the participant's retirement account balance.

**What is a Rollover?\***

Participants may move funds from one qualified plan account, i.e. 403(b) account, 401(k) account or an IRA, to another qualified plan account at age 59½ or when separated from service. Rollovers do not create a taxable event.

\* Some provisions above may not be available under your employer's plan and/or your investment contract.

**Can distributions be taken?**

Typically, participants 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. The Internal Revenue Service regulations restrict other 403(b) plan distributions.

**When are permissible distributions permitted?**

Generally, a distribution cannot be made from a 403(b) account until you:

- reach age 59½ ;
- have a severance from employment;
- are deceased;
- become disabled;
- in the case of salary reduction contributions, encounter a specific financial hardship; or
- have a qualified reservist distribution.

In addition to the information provided in this section, the IRS makes available at [www.irs.gov](http://www.irs.gov) several publications which speak to retirement plan transactions and taxation. These publications include the following:

- 571 - Tax Sheltered Annuity Plans (403(b) Plans) For Employees of Public Schools and Certain Tax-Exempt Organizations - (403(b) Plans);
- 575 - Pension and Annuity Income - (403(b) Plans);
- 4484 - Plan Feature Comparison Chart (Choose a Retirement Plan) - (457(b) Plans).

**Are there taxes on distributions?**

Yes, a distribution from a traditional 403(b) or 457(b) account is generally taxed as ordinary income in the year it is issued. There are specific federal tax-withholding rules that apply to all distributions from retirement savings and investment plans. The taxes on plan distributions can be complex. For these reasons, if you are considering a distribution from your account, you are encouraged to seek professional tax advice. If you choose to take a distribution, you are responsible for satisfying the distribution rules and for any tax consequences. Distributions to participants are reported annually by the provider on IRS Form 1099R.



Some provisions above may not be available under your employer's plan and/or your investment contract.



**What is a plan-to-plan transfer?\***

The term plan-to-plan transfer means that the participant is moving his or her 403(b) and/or 457(b) account from one sponsor's plan and retaining the same account with the authorized investment provider under the new plan sponsor's plan.

**Can retirement account balances be used to purchase service credit?**

If allowable by your state retirement system and if you are eligible, you may be able to use your retirement account balances to purchase service credits for state retirement. Contact your state retirement system for additional information.

**When can hardship withdrawals for 403(b) plans\* be taken?**

You may be able to take a hardship withdrawal in the event of an immediate and specific heavy financial need. To be eligible for a hardship withdrawal according to IRS Safe Harbor regulations, you must verify and provide evidence that the distribution is being taken for one or more of the following six reasons: 1. eligible medical expenses; 2. the purchase of a principal residence (excluding mortgage payments); 3. tuition payments and/or room and board for the next 12 months of post-secondary education for the participant, his/her spouse or dependents; 4. payments necessary to prevent foreclosure on the mortgage of, or eviction from, a principal residence; 5. funeral expenses for a family member; or 6. loss or damage as a result of a natural disaster (for example, an earthquake).

**When can unforeseen financial emergency withdrawals for 457(b) plans\* be taken?**

You may be able to take a withdrawal from your 457(b) account in the event of an unforeseen financial emergency. An unforeseeable emergency is defined as a severe financial hardship of the participant or beneficiary. These emergencies are typically caused by a sudden and unexpected event such as an illness or accident involving the participant or beneficiary, the participant's or beneficiary's spouse, or the participant's or beneficiary's dependent; loss of the participant's or beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or the beneficiary. For example, the imminent foreclosure of or eviction from the participant's or beneficiary's primary residence due to unanticipated events, such as a sudden and unexpected illness or accident, may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent, of a participant or beneficiary may also constitute an unforeseeable emergency. The purchase of a home and the payment of college tuition are not unforeseeable emergencies.

\* Some provisions above may not be available under your employer's plan and/or your investment contract.

**Online Distribution System**

U.S. OMNI & TSACG Compliance Services' Online Distribution System (ODS) is the fastest and easiest way for authorization of a distribution from your account. This online resource is accessible to all participants and employers through U.S. OMNI & TSACG Compliance Services' Online Distribution System website located at: <https://transaction.tsacg.com>.

Distribution transactions may include loans, transfers/exchanges, rollovers, hardship withdrawals, QDROs, or cash distributions.

By using ODS, approval certificates for allowable transactions may be provided immediately for submission to your Investment Provider. Transactions such as hardships, which require additional documentation and information, can be initiated online for expedited completion. Only transactions allowed by your employer's plan can be processed. Transactions can be submitted 24 hours a day, 7 days a week for your convenience.

For those who would prefer to submit transactions via mail, OMNI/TSACG has the necessary forms available online to complete a plan transaction. These forms can be accessed on the Forms page at: <https://www.tsacg.com/forms>.

While ODS is the preferred method of submission for these plan transactions, we understand that some Investment Provider paperwork requires a manual signature. For those transactions that cannot be submitted through ODS, we ask that you carefully review all documentation, verify that you have signed all necessary forms, and verify that you have included any necessary evidence to help OMNI/TSACG avoid delays that are caused by incomplete documentation, and mail to our offices via the instructed below address:

**U.S. OMNI & TSACG Compliance Services****Attn: Participant Transaction Dept.**

P.O. Box 4037

Fort Walton Beach, FL 32549

For assistance with transactions, please call 1.888.796.3786 and select option 4.

For those opting not to utilize the Online Distribution System, the necessary forms are to be submitted to U.S. OMNI & TSACG Compliance Services, and can be downloaded from your employers page at: <https://www.tsacg.com/forms/>. U.S. OMNI & TSACG Compliance Services requires the following forms and documentation with faxes and mailed transaction paperwork in order to process the transactions as listed below:

<u>TRANSACTION REQUESTED</u>	<u>FORMS NEEDED FOR PROCESSING</u>
Contract Exchanges, Rollovers - incoming and outgoing	Submit complete Investment Provider paperwork for transaction and the following: <ul style="list-style-type: none"> <li>• Original forms may be required by the Investment Provider</li> </ul>
Transfers	Submit complete Investment Provider paperwork for transaction and the following: <ul style="list-style-type: none"> <li>• Original forms may be required by the Investment Provider</li> </ul>
403(b) Hardship Withdrawals	Submit complete Investment Provider paperwork for transaction and the following: <ul style="list-style-type: none"> <li>• Completed Hardship Withdrawal Disclosure form</li> <li>• Evidence of expenses equal to or more than amount requested</li> </ul> <i>Please note that evidence of expenses MUST be provided for approval of request</i>
457(b) Unforeseen Emergency Withdrawals	Submit complete Investment Provider paperwork for transaction and the following: <ul style="list-style-type: none"> <li>• Completed Unforeseen Emergency Withdrawal</li> <li>• Evidence of expenses equal to or more than amount requested</li> </ul> <i>Please note that evidence of expenses MUST be provided for approval of request</i>
403(b) and 457(b) Loans	Submit complete Investment Provider paperwork for transaction and the following: <ul style="list-style-type: none"> <li>• Original forms may be required by the Investment Provider</li> </ul>
403(b) and 457(b) Cash Withdrawals (with qualifying event only; i.e. age eligibility or separation from service)	Submit complete Investment Provider paperwork for transaction and the following: <ul style="list-style-type: none"> <li>• Original forms may be required by the Investment Provider</li> </ul>
Transfer - Purchase of Service Credit	Submit complete Investment Provider paperwork for transaction and the following: <ul style="list-style-type: none"> <li>• Completed State Retirement System Documents (Original forms may be required by your Investment Provider and/or retirement system)</li> </ul>

**PLEASE NOTE:** Some of the provisions listed may not be available under your employer's plan and/or your investment contract.

Contributing to your personal retirement account is an important part of your total financial plan. It is important to remember that federal guidelines determine the maximum allowable contribution or "MAC" that can be sheltered from current income tax each year.

All participants should receive regular information from their account provider about scheduling the level of their contributions each year. This is especially true if you are eligible to use an age-based "additional amount" this year. The following worksheet is designed to help you and your representative determine your MAC for this calendar year.

## Worksheet for 403(b) and 403(b)(7) Accounts Only

### Basic Limit:

The basic limit is 100% of your includible compensation up to **\$20,500**. This worksheet assumes that your income will exceed **\$20,500**.

\$20,500.00

### Age-Based Addition Limit (Age 50 or older):

You may contribute an additional **\$6,500** if you are age 50 or older by 12/31/2022.

Your Age Based Addition allowed for 2022 is:  
(Amount will be \$0.00 if you are less than fifty years of age).

\$ \_\_\_\_\_

**MAC Limit for 2022: \$** \_\_\_\_\_

### Contribution Guidelines

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 Maximum Allowable Contribution (MAC) chart above shows what you are allowed to contribute toward your retirement plan(s) this calendar year.

**Basic Annual Limit** - The 2022 calendar year limit for 403(b) elective deferrals is defined as up to 100% of includible compensation up to **\$20,500**.

**Age-Based Additional Amount** - Employees who are age 50 or older by December 31, 2022, may contribute up to an additional **\$6,500 above the 403(b) basic annual limit of \$20,500 for a total of \$27,000**. The participant's years of service with the employer is not a factor in determining eligibility for this higher limit.

### Your MAC calculation

U.S. OMNI & TSACG Compliance Services certifies that the above calculation meets the IRS guidelines only for the year it was calculated, assuming that all information provided by the employee and/or the employer is accurate and complete. These calculations have been provided for informational purposes only. Participants are responsible for ensuring that total annual contributions to all 403(b) accounts do not exceed the maximum allowable contribution limits.

Maximum allowable contribution limits should be reviewed each year to ensure that all contributions remain within IRS Guidelines. Participants should retain this calculation during the year. Employees who are not currently participating in a personal retirement savings plan through their employer may want to retain this worksheet for future reference.

**NOTE:** Employees who maintain and contribute to both a 401(k) and 403(b) account during the same calendar year are subject to a combined maximum limit on contributions even if the plans are maintained by separate employers. Participants should seek further information regarding their MAC limit each year from their account representative or professional advisor.



**What is “the plan”?**

The plan encompasses the provisions of a 403(b) and/or 457(b) arrangement whereby employees may contribute and accumulate savings on a tax favored basis through their paycheck. The provisions of the plan are defined by a plan document that is adopted by the Plan Sponsor, or employer, and qualifies under Internal Revenue Service (IRS) guidelines. These provisions are outlined in this Guide to assist you in understanding how to better utilize this important employee benefit. The plan also lists the Investment Providers that your employer has authorized to provide 403(b) and/or 457(b) accounts.

**What are account accumulations?**

Account accumulations are the funds, plus any earnings, in your retirement account(s) that have grown as you continually contribute to your account.

**Who is a participant?**

If you decide to contribute to a personal retirement plan, you become a participant of that plan.

**Who is a Plan Sponsor?**

The entity (generally your employer) that established and maintains the retirement plan is considered the Plan Sponsor.

**What is an Investment Provider?**

In this Guide, an Investment Provider refers to companies that are authorized in your employer’s plan to offer you retirement products such as mutual funds and/or annuities.

**What is a Plan Administrator?**

A Plan Administrator is responsible for processing your transactions, maintaining records, and keeping your employer’s plan in compliance with IRS Regulations. Your employer’s Plan Administrator is U.S. OMNI & TSACG Compliance Services.

**Why are transaction requests submitted to the Plan Administrator?**

IRS regulations require that the Plan Sponsor review all transaction requests to ensure that they are permitted by the provisions of the plan. On behalf of your Plan Sponsor, U.S. OMNI & TSACG Compliance Services’ professionally trained staff reviews these transactions to ensure they are compliant with regard to both plan provisions and IRS regulations.

**What is a MAC?**

Your Maximum Allowable Contribution (MAC) is the total amount you are allowed to contribute to your retirement account each year. This amount is based on IRS regulations and the provisions of your employer’s plan. Additional information about the MAC limits are explained on the MAC page within this Guide.

**What is the difference between an exchange and a rollover?**

An exchange is the movement of your account from one Investment Provider to another Investment Provider in the plan while employed. A rollover is the movement of your account out of the plan to another retirement plan or account at separation of service or attainment of age 59½.

As a public service employee, you may be a member of your state retirement plan. Your state’s retirement plan may be a defined benefit plan, a defined contribution plan, and/or a hybrid (or combined) plan. Please note that not all of the plans listed below are available in all states.

**What is a defined benefit (pension) plan?**

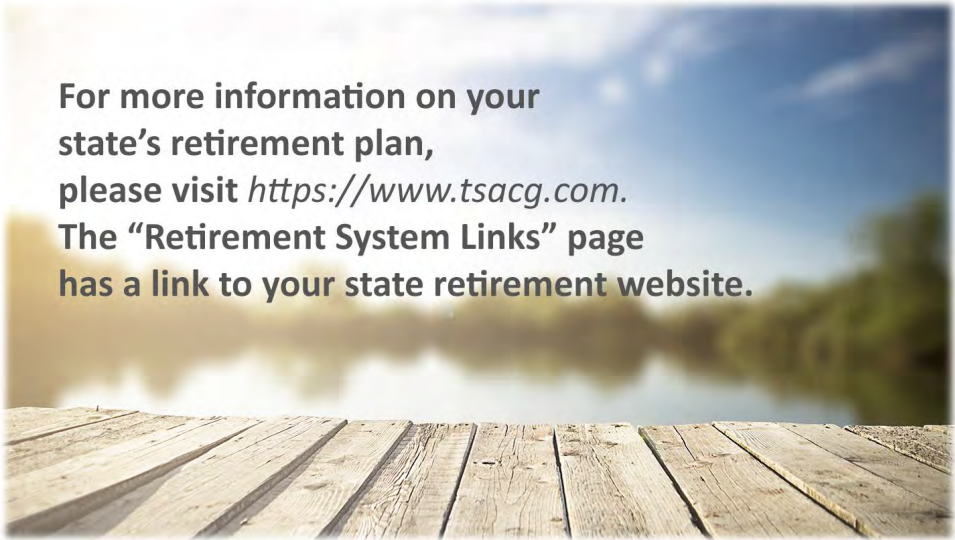
Defined Benefit (Pension) Plans guarantee a retirement benefit that is predetermined. The employer and the employee contribute a specified percentage or amount to the plan, and the amount may vary in order to pay the monthly retirement benefits. The amount of the retirement benefit is based on a formula that takes into account the years of service and average final salary.

**What is a defined contribution plan?**

Defined Contribution Plans guarantee a set contribution made by the employer. The employer contributes a specified percentage or amount toward the plan. Employees usually choose their preferred investment options; therefore, the employee usually assumes the risks of those investments. The amount of the retirement benefit will depend on the investments and account accumulations the employee has chosen. The employee may also be eligible to contribute to the plan.

**What is a hybrid (combined) plan?**

Hybrid (Combined) Plans are a combination of a defined benefit plan and a defined contribution plan. Generally, the employee contributions are a defined contribution plan and the employer contributions are a defined benefit plan; however, the combinations available vary from plan to plan.



For more information on your state’s retirement plan, please visit <https://www.tsacg.com>. The “Retirement System Links” page has a link to your state retirement website.

*This handbook is produced by U.S. OMNI & TSACG Compliance Services. to provide accurate information with regard to the subject matter covered. It is not intended to be a substitute for qualified counsel. U.S. OMNI & TSACG Compliance Services is not engaged in rendering legal, accounting or tax advice. If legal or other professional assistance is required, the services of a competent professional should be sought.*

Waverly Community Schools, MI

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