

403(b) Questions & Answers

- Q.** Why isn't my TSA on the list of available tax sheltered companies?
- A.** Some insurance companies and mutual fund companies are unable or unwilling to sign OMNI Group's information sharing agreement, or meet the new requirements resulting from the 403(b) regulation changes.
- Q.** Why do I need to complete the OMNI Group Salary Reduction Agreement (SRA) if I don't want to participate in a 403(b) or 457 tax sheltered plan?
- A.** The new IRS regulations require the District to give all benefit-eligible employees the opportunity to participate in 403(b) plans. Your signed form validates you are aware of your eligibility to participate.
- Q.** Can I participate in a 403(b) plan if I am already participating in the PERSI Choice 401(k) program?
- A.** Yes – Employees can participate in both 403(b) and 401(k) plans at the same time. **Do not** indicate your PERSI Choice 401(k) participation on the OMNI SRA.

Please be aware, however, that your total contributions between both plans (403(b) and 401(k)) combined cannot exceed the current year's maximum allowable contribution (MAC). For 2009, the MAC will be \$16,500 for employees under age 50, and \$22,000 for employees age 50+. Refer to IRS Publication 571 for current regulations:
<http://www.irs.gov/publications/p571/>

- Q.** Can I just call payroll to change my 403(b) deduction?
- A.** No – Written documentation is required. A signed OMNI SRA is necessary
- Q.** How do I begin my first TSA?
- A.** First, you need to contact the participating vendor or service provider of your choice and establish your 403(b) account. Then, complete an OMNI SRA. In Part 3, Check the box "Initiate a new salary reduction with a New Service Provider." Fill in the Service Provider, amount of contribution, and the effective date to begin your contribution.