



In Partnership with TCG Administrators

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403(b) Plan Notice

To All School District Employees:

The 403(b) plan (often called a "tax sheltered annuity" or TSA) is a voluntary plan that allows you to defer a portion of your paycheck to a retirement plan.

This is a great benefit offered by your employer to help you bridge your retirement income gap and lower your taxes. Under federal tax law, you do not have to pay income taxes on your contributions or account earnings until you take the money out of the plan.

Why Do I Need to Save if I have CalSTRS or CalPERS?

Your pension may not replace all of your income in retirement. The average retiree receives 60-65 percent of their income at retirement.

For example, if your current salary is \$5,000 per month and your retirement benefit equals 65 percent of your current salary, you will receive \$3,250 each month. However, CalSTRS research indicates that retirees must receive 90-95 percent of their income in retirement to maintain their current standard of living. In the following example the member has a shortfall of \$1,750 per month.

Why Should I Contribute to a 403(b) Plan

- Bridge your retirement income gap
- Lower your taxes
- Easy to start saving now

For more information, including a list of approved vendors to open an account with and instructions to make or change your contribution elections, go to www.CalSTRS403bComply.com.

*If you do not have Internet access or need assistance, please call us at (800) 943-9179 and we can assist you with these services by phone.

Thank you,