

About Your 403(b) Retirement Plan

As an eligible employee of Plano ISD, you are permitted to participate in a 403(b) tax deferred retirement program. Any active employee of Plano ISD may establish and contribute to a 403(b) Tax Sheltered Account.

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 59½ 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.

Why Contribute to a 403(b)?

Participating in this 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 20%, 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 is tax-deferred. This means that your account can grow tax-free until time of withdrawal.

Enhanced Retirement

A 403(b) plan can provide a healthy supplement to an employee's retirement income.

Information for Establishing a 403(b) Retirement Account

PenServ Plan Services, Inc., is the district's third party plan administrator. PenServ's website is: www.penserv.com

More information can be found at:

1. [PenServ Online Enrollment and Web Access Guide](#)
2. [403\(b\) Plan Universal Availability Notice](#)

All new participants MUST enroll with an active 403(b) vendor first and then ONLINE with PenServ at www.penserv.com/login. Applications CANNOT be faxed to PenServ.

Not intended as tax or legal advice

Neither your employer nor the investment providers offering savings products under the plan can provide you with tax or legal advice.

All 403(b) information and forms may be found on the PenServ website, located at www.penserv.com/login.