

**To: All Employees of Central Bucks SD**

In addition to the mandatory state retirement system (PSERS), the school district also offers a voluntary retirement plan employees can take advantage of to supplement their retirement savings. Through its business partners, the district offers a best in class voluntary retirement plan with over \$11,100,000 invested to date.

PenServ Plan Services provides the administrative and regulatory oversight to make certain that our retirement plan functions with the proper compliance guidelines. PenServ specializes in this role so that we can be assured the District is maintaining a proper and efficient plan. Besides this important compliance function, PenServ also provides the daily administrative support to you as a plan participant for accessing your account information and dealing with specific plan provisions. Specifically, PenServ provides:

- Monitoring of Non-ERISA 403(b) and 457(b) IRS Compliance Rules
- Plan Document and Administrative Forms
- Direct participant account access
- 24/7 Automated Response System
- Website to:
  - Monitor your investments
  - Determine your risk tolerance
  - Easily move your money between investment options or change asset allocations
- Plan Design and Qualification Testing
- Periodic Legislative Updates
- Quarterly Participant Statements

The Central Bucks School District has engaged the services of an independent investment consultant Northeast Financial Group to provide fiduciary oversight to the 403b and 457(b) retirement plan investment options. This independent fiduciary oversight translates into investment offerings that are best in class for the following:

- Rate of Return
- Review investment fees charged by mutual funds to help maximize the overall rate of return.
- Composition and Style
- Broad range of available asset classes for which to invest and properly diversify your portfolio
- A mix of Active and Passive investments

As part of our commitment to provide access to a quality retirement plan, Central Bucks School District and our consultants conduct regularly scheduled reviews of the portfolio to evaluate the ongoing suitability of each offered investment option. If an investment option is not meeting the established criteria, recommendations are made to replace an investment option or provide a suitable alternative.

Lastly, Central Bucks utilizes the services of Creative Financial Group representing MetLife to provide on-going informational and educational seminars regarding 403(b) and 457(b) plans to staff as required by IRS regulations. Creative Financial Group is also available to meet with staff on an individual basis to assist with these plan elections and to help staff with financial planning. Please know that staff members can manage their own accounts by accessing the PenServ website and enrolling in a 403(b) or 457 plan directly, or they can work with Patrick Caligiuri of Creative Financial Group to assist with investment choices and plan management.

All costs to operate the district's voluntary retirement plan are paid for by the employees who utilize the plan.

In compliance with the requirements of IRC §403(b)(12)(A)(ii) this Notice will advise you of the voluntary 403(b) program established and maintained for the benefit of our employees. The following information provides details of the Plan and outlines the procedures for enrollment.

**Eligibility- All employees who are employed by the Employer.**

**Contributions** - When you enroll in the program, the amounts you designate as salary deferrals are withheld from your wages and forwarded to an investment provider of your choice. Several types of contributions are available in your Plan:

**Pre-Tax Salary Deferrals.** These are amounts contributed into a 403(b) plan that are deferred from your paycheck before federal income taxes are applied. State income taxes may or may not be applicable.

**Roth Salary Deferrals.** These amounts are also deferred from your paycheck, but are subject to federal and state income taxes. When you withdraw monies, however, the funds may be excluded from taxation. Special rules apply to Roth contributions and you should contact your tax advisor before electing this option.

- For **2017**, you may defer from your wages, a maximum of \$18,000 to all 403(b) and 457(B) plans unless you will reach 50 years of age during the year. In that case, you would be eligible to contribute an additional \$6,000. Deferrals may not exceed 100% of your wages.

**Employer Contributions.** The Plan also allows your Employer to make contributions to the Plan on your behalf.

**Rollovers.** You may also rollover funds from another employer's plan if you receive an eligible rollover distribution. Before you can complete a rollover into this Plan, you must first receive an acceptance authorization before the monies to be applied to your account.

**Plan Investment Options**

Your contributions to the 403(b) Plan must be made to an investment provider approved by your Employer. Before enrolling in the Plan, you should first establish an account with one of the Providers listed in this Notice. Once you have executed an investment contract, you should establish an account through the Plan's web site and create a secure login and password.

**Assistance**

You may enroll in the Plan or receive assistance with these provisions by contacting the Plan's Third Party Administrator, your Employer's Benefit Administrator or a representative for one of the Investment Companies listed in this Notice. Additional information about the provisions and options in your Plan are available by contacting PenServ Plan Services, Inc. at (800) 849-4001 or from the Plan's web site (see below).

**Third Party Administrator**

PenServ Plan Services, Inc. Plan Recordkeeper  
Phone 800.849.4001  
www.penserv.com  
Email: [403badministration@penserv.com](mailto:403badministration@penserv.com)

**Employer Benefits Administrator**

Central Bucks Payroll Department – Doreen Erato-Sharp  
Phone: 267-893-2068  
Email: [derato@cbsd.org](mailto:derato@cbsd.org)

**Plan Web Site is available at:**

www.penserv.com  
Select: Login to Your Account  
**Plan Access Code: cent4232**  
(case sensitive)

**Investment Provider Options**

Provider and Product Name	Product Type	Contact
METLIFE	Mutual Funds and Annuities	Patrick Caligiuri, MetLife Phone 410-908-6185 pcaligiuri@metlife.com
B7 MUTUAL FUND PRODUCT	Mutual Funds	Patrick Caligiuri, MetLife Phone 410-908-6185 pcaligiuri@metlife.com
VANGUARD	Mutual Funds	800-962-5068 Van Guard Participant Services

B7 Mutual Fund Product Fees			
Provider	Product Type	Quarterly Fee	Est. based on \$11,100,000 invested to date by CB Participants
PenServ Plan Services	Account Fee	\$12 / quarterly per participant per plan 403(b) and/or 457(b)	\$48 per year/per participant if you have a 403(b) <u>or</u> 457(b). \$96 if you have a 403(b) <u>and</u> 457(b)
Matrix Trust Company	Custodian of Assets	1.5 basis points* / quarterly	\$ 6,660 per year
Northeast Financial Group	3(21) Fiduciary Advisor	3.75 basis points* / quarterly	\$16,650 per year
MetLife Securities	Financial Advisor	8.75 basis points* / quarterly	\$38,850 per year

**Total Basis Points 14.0 per Quarter**

**\*As An Example:** A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% or 0.0001. In this case, the basis points represent the amount of fees charged to your account.

Account Value	Fee	Amount of Yearly Fee
\$10,000	56 basis points per year	\$56
\$11,100,000	56 basis points per year	\$62,160 estimated

Please review the CBSD Website, Departments, Business, Payroll at [www.cbsd.org](http://www.cbsd.org), for more information about the Voluntary Tax Shelter Retirement Plan