

# CBSD Retirement Plans

**PenServ**

Penserv.com

1-800-849-4001

## Traditional 403(b)

- PenServ Mutual Fund Platform
- Creative Financial representing MetLife
- MetLife Annuities Platform
  - Metlife.com
  - Patrick Caligiuri
  - 410-908-6185
- Vanguard Mutual Funds
  - The Newport Group
  - 1-800-569-4903
- Kades-Margolis
  - 4kmc.com
  - Jeff Miller
  - 215-355-3831
  - 1-800-433-1828 x137
- Pretax Contributions
- Distributions are taxable at time of withdrawal
- 10% tax penalty on distributions before age 59 ½
- Reason to save is to supplement your pension retirement income
- Can contribute up to \$19,500 per year into 403(b) programs if under age 50 or up to \$26,000 per year if over age 50

## Roth 403(b)

- PenServ Mutual Fund Platform
- Creative Financial representing MetLife
- MetLife Annuities Platform
  - Metlife.com
  - Patrick Caligiuri
  - 410-908-6185
- Vanguard Mutual Funds
  - The Newport Group
  - 1-800-569-4903
- Kades-Margolis
  - 4kmc.com
  - 215-355-3831
  - 1-800-433-1828 x137
- After-tax Contributions
- Tax free distributions
- 10% tax penalty on distribution before age 59 ½
- Reason to save is to supplement your pension retirement income
- Can contribute up to \$19,500 per year into 403(b) programs if under age 50 or up to \$26,000 per year if over age 50

## 457(b)

- PenServ Mutual Fund Platform
  - Penserv.com
  - 1-800-849-4001
- Pretax Contributions
- Distributions are taxable at time of withdrawal
- Vanguard Mutual Funds
  - The Newport Group
  - 1-800-569-4903
- No 10% tax penalty on permitted distributions
- Reason to save is to supplement your pension retirement income
- Can contribute up to \$19,500 into a 457(b) per year if under age 50 or up to \$26,000 per year if over age 50.
- 403b & 457b plans can be contributed to at the same time up to the maximum yearly amount for each plan in a calendar year.

## **403(b)/457(b) FAO's**

**Q:** *Who is eligible to contribute to a 403(b) and/or a 457(b)?*

**A:** Employees of public schools and certain tax-exempt organizations — as determined by Section 501(c)(3) of the Internal Revenue Code — can participate in a 403(b) plan.

**Q:** *What investment options are available to CBSD 403(b)/457(b) participants?*

**A:** Unlike the 401(k), 403(b)/457(b) participants cannot invest in individual stocks. Instead, their choices are:

1. Annuity and variable annuity contracts with insurance companies.
2. A custodial account made up of mutual funds. This is known as a 403(b)(7).
3. Guaranteed accounts at 3%

**Q:** *How does a Traditional 403(b) work?*

**A:** Participants set aside money on a pre-tax basis through a salary reduction agreement with their employer. The money is then directed to a district-approved financial institution, where it grows tax-deferred until retirement. It is taxed as ordinary income when withdrawn.

**Q:** *How does a Roth 403(b) work?*

**A:** Participants set aside money on an after-tax basis through a salary reduction agreement with their employer. The money is then directed to a district-approved financial institution, where it grows tax-deferred until retirement. Distributions are tax-free at the time of withdrawal.

**Q:** *Are CBSD 403(b) participants limited to certain vendors?*

**A:** Yes. Central Bucks School District 403(b) participants can only contribute through the MetLife Annuity Platform, Vanguard Mutual Funds, PenServ Mutual Fund Platform or Kades-Margolis.

**Q:** *How does a 457(b) work?*

**A:** Participants set aside money on a pre-tax basis through a salary reduction agreement with their employer. The money is then directed to a district-approved financial institution, where it grows tax-deferred until retirement. It is taxed as ordinary income when withdrawn. An employee can contribute to both a 403(b) and a 457(b) in the same year.

**Q:** *Can a 403(b) be rolled into an IRA?*

**A:** Yes. This can occur when the participant:

- Separates from service (job change) (and reaches the age of 59-1/2)
- Retires
- Becomes Disabled
- Dies

**Q:** *When can 403(b) money be accessed?*

**A:** Generally, penalty-free distribution cannot occur until the participant reaches 59-1/2

- Separates from service (at retirement age)
- Dies

It is recommended to consult a Tax Professional before accessing 403(b) money

**Q:** *Is there a comparison chart to view quarterly performance and cost analysis?*

**A:** Yes. This can be found on the CBSD website at: <https://www.cbsd.org/payroll>

**Q:** *What is the District/Plan ID number when setting up an account with PenServ?*

**A:** the CBSD Plan ID number is: **cent4232**