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Notice of Eligibility to Participate in a 403(b), 457 Deferred Compensation Program

Dear Elk Grove Unified School District Employee,

As an employee of a public school system, you are eligible to participate in a 403(b) and/or 457 deferred compensation program. Participation in these plans is voluntary and may be done at the employee's discretion. All employees are eligible to participate in these plans.

There are two different types of voluntary tax deferred retirement plans in which you may participate through payroll deduction. You may contribute to a 403(b) tax deferred annuity/mutual fund plan and/or a 457 Deferred Compensation plan. The chart below lists the maximum contributions under each plan.

You may be able to contribute the maximum to both plans.

	403(b)	457
2016 Annual Contribution Limits:	\$18,000	\$18,000
If age 50 by 12/31/2016	\$24,000	\$24,000
Catch-up Provision:	<i>If eligible for catch-up (402G)</i>	<i>If eligible for catch-up</i>
Borrow against Funds:	Yes	No
Agent:	Locate your own agent or mutual fund	Non-Commissioned CalPERS 457 Representative
Withdrawals from Plan:	At age 59 1/2 or at age 55, if retired	Upon leaving employment/retirement
Ability to Transfer Funds:	Upon separation from service, may roll funds over to any other plan 401(k), 403(b), 457 or IRA	
Purchase of Service Credit:	May transfer funds from either plan to purchase STRS/PERS service credit	
Hardship:	Unforeseeable emergencies <ul style="list-style-type: none"> • Medical care • Casualty loss • Payment needed to prevent eviction / foreclosure of home • Tuition • Purchase of a home 	Unforeseeable emergencies <ul style="list-style-type: none"> • Medical care • Casualty loss

To begin contributing to a 403(b) tax shelter annuity account, you must first open an account with a participating vendor. To get more information, go to the CalSTRS/Jem Resource website at www.CalSTRS403bComply.com or call (888) 892-7494. New enrollment or changes to your 403(b) tax shelter annuity contributions must be updated by the 10th of the month to qualify for processing on the next payroll.

To begin contributing to the 457 Deferred Compensation Plan, you can access the forms @ <http://www.egusd.net/employment/benefits.cfm> or <http://www.calpers.ca.gov/>. Forms are due in the Payroll/Benefits Office by the 10th of the month to qualify for processing on the next payroll.

Enrollment and Contribution changes may be done any time during the year. Please call (916) 686-7778 or email Payroll/Benefits with any questions.