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

December 13, 2017

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) and 457).

| | 403(b) | 457 | 457 |
|----------------------------------|--|--|---|
| Third Party Administrator | CalSTRS 403(b) Comply http://www.calstrs403bcomply.com/ | CalPERS http://www.calpers-sip.com/PDF_documents/CalPERS_457-enroll-kit_2016.pdf | CalSTRS Pension2 http://www.calstrs.com/pension2 |
| 2018 Annual Contribution Limits: | \$18,500 | \$18,500 | \$18,500 |
| If age 50 by 12/31/2018 | \$24,500 | \$24,500 | \$24,500 |
| Catch-up Provision: | <i>If eligible for catch-up (402G)</i> | <i>If eligible for catch-up</i> | <i>If eligible for catch-up</i> |
| Borrow against Funds: | Yes | No | Yes |
| Agent: | Locate your own agent or mutual fund | Non-Commissioned CalPERS 457 Representative | Non-Commissioned CalSTRS 457 Representative |
| Withdrawals from Plan: | At age 59 1/2 or at age 55, if retired | Upon leaving employment/retirement | 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 | Upon separation from service, may roll funds over to any other plan 401(k), 403(b), 457 or IRA | 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 | May transfer funds from either plan to purchase STRS/PERS 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 | Unforeseeable emergencies <ul style="list-style-type: none"> • Medical care • Casualty loss |

All forms for new enrollment or changes to existing enrollment are due to the Payroll Office by the 10th of the month for procession on the next month's payroll. Enrollment and contribution changes may be done any time during the year. Please call (916) 686-7778 or email egusdpayben@egusd.net with any questions.

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/TCG Resource website at www.CalSTRS403bComply.com or call (800) 943-9179.

To begin contributing to the CalPERS 457 Deferred Compensation Plan, you can access the forms @ http://www.egusd.net/wp-content/uploads/2016/06/457_Enrollment_Form2016.pdf & http://www.egusd.net/wp-content/uploads/2016/06/457_Beneficiary_Form.pdf.

To begin contributing to the CalSTRS 457 Deferred Compensation Plan (Pension2), you can access the forms <http://www.calstrs.com/pension2>.