

TO: Boxford, Middleton and Topsfield School Employees

FROM: Steven Greenberg Director of Finance and Human Resources

SUBJECT: 403B Eligibility Notification

As part of our effort to maintain our compliance with IRS regulation, attached is an Eligibility Notification from our plan administrator (CPI). This notification is available at www.tritownschoolunion.com. Go to the Boxford, Middleton or Topsfield School District page and click on Employee Information.

All employees of the Boxford, Middleton and Topsfield School Districts are eligible to participate in their district's 403B plan.

Please do not hesitate to contact Central Office or Town Hall if you have any questions. You may contact one of the following:

<u>BOXFORD</u>		<u>MIDDLETON</u>		<u>TOPSFIELD</u>	
Valerie Dellea	978-887-0771	Nancy Dellea	978-887-0771	Pam McElmon	978-887-0771
Boxford Payroll		Middleton Payroll		Topsfield Payroll	
Steve Greenberg	978-887-0771	Steve Greenberg	978-887-0771	Steve Greenberg	978-887-0771
Director of Human Resources		Director of Human Resources		Director of Human Resources	
Judy Durkee	978-887-6000	Kathleen McMann	978-774-8327	Barbara Michalowski	978-887-1511
Boxford Town Hall	ext 124	Middleton Town Hall		Topsfield Town Hall	

Notice to Eligible Employees of Opportunity to Make Elective Deferrals to the Boxford, Middleton and Topsfield Public Schools

You have the right to make elective deferrals to the Boxford Public Schools 403(b) Plan. Contributing to a 403(b) plan helps to ensure that you will have funds to provide yourself with an income during retirement. A 403(b) plan allows you to contribute a portion of your compensation on a pre-tax basis or as a Roth (after-tax) contribution in order to save for your retirement. Contributions are made to the plan by payroll deduction. If you are already contributing to the 403(b) Plan, you may want to increase your deduction.

What are the benefits of contributing to a 403(b) plan?

- The pre-tax elective deferrals that you make to the plan now are not taxed until you withdraw them. This means you are lowering your taxable income now, and will potentially lower the amount of income tax you will pay on those funds at the time of withdrawal when you may be in a lower tax bracket.
- Both your pre-tax elective deferrals and earnings grow tax-free until they are withdrawn.
- Roth (after-tax) contributions are made on an after-tax basis. However, the earnings grow tax free and will be distributed tax free, if the distribution occurs after the end of the five year period that begins with the plan year in which the first contribution is made and the distribution occurs after you are age 59 ½, become disabled or die.

What do I need to do in order to start making elective deferrals?

You will need to make an election regarding how much of your compensation you wish to defer to the 403(b) plan and whether you want to have this contributed on a pre-tax basis or as a Roth (after-tax) contribution. You will also need to determine where you want to invest your contributions. The list of approved vendor(s) and their contact information can be located by visiting the CPI Participant Website at www.cpicrs.com. This list can also be obtained by contacting the CPI Participant Service Center at (877) 488-4040 or email Participant.ServiceCenter@cpicrs.com. The financial advisor representing each vendor will provide you with the forms that will set up the contract or account with the vendor. Once you have completed the paperwork provided by the selected financial advisor please access the CPI Participant Website at <https://www.cpicrs.com> to complete the election process.

If you are unable to access the website or want additional information, please contact the CPI Participant Service Center at (877) 488-4040 or email Participant.ServiceCenter@cpicrs.com.

How much can I contribute to a 403(b) plan?

In 2010, you can make elective deferrals up to \$16,500. As this amount is subject to cost of living increases as set by the government, this amount will increase over time. If you will be age 50 or older sometime during the 2010 calendar year, you are eligible to contribute an additional amount that is known as an "age 50 catch-up contribution". The limit on the age 50 catch-up contribution is \$5,500 and can be contributed on top of the deferral limit of \$16,500. Consequently, participants eligible to make the age 50 catch-up contributions can contribute up to \$22,000 to the 403(b) Plan for the 2010 calendar year.

In addition to the age 50 catch-up, If you have completed at least 15 years of service with Middleton Public Schools you may be eligible to contribute up to \$3,000 a year above the elective deferral limit until the amount of the cumulative annual additional contributions made using this special rule equals \$15,000. If you have 15 years of service with your employer and want to utilize this additional 15 year of service catch-up contribution no action is required now, once you have exceeded \$16,500 we will request additional information from you in order to determine the amount you are able to contribute to the 15 year of service catch-up. Participants who are eligible for both the age 50 catch-up rule and the 15 year of service catch-up contribution are required to use the 15 year of service catch-up contribution first.

For more information on enrolling in your 403(b) Plan, making changes to your current deferral or vendor elections, or any other questions or requests for information, please contact the CPI Participant Service Center at (877) 488-4040 from 7:00 a.m. to 7:00 p.m. Central time, Monday through Friday. You can also send an e-mail to Participant.ServiceCenter@cpicrs.com.