

To: All Employees  
From: Hampton City Schools  
Date: June 2016  
Subject: Universal Availability Notice  
Section 403(b) and 457(b) Plans

Hampton City Schools (HCS) is a tax-exempt public education entity eligible to offer a retirement savings program as described under sections 403(b) and 457(b) of the Internal Revenue Code (commonly referred to as a “403(b) Plan” or a “457(b) Plan”). This notice is to make you aware of the 403(b) and 457(b) Plans and provide enrollment information. Under either the 403(b)/457(b) Plan, employees may contribute on a pre-tax basis to either account, in which any investment earnings grow tax-deferred until they are distributed (unless you choose a Roth after tax account). The employee is responsible for investigating and selecting from the investments available under the 403(b)/457(b) Plan offered by the vendor. Understanding the tax and investment consequences of the custodial account or annuity selected is your responsibility. You may seek investment, legal, or tax advice if desired. IRS Publication 571 (Tax Sheltered Annuity Programs for Employees of Public Schools) is available at [www.irs.gov](http://www.irs.gov) (the IRS’ website) for further information and reference.

**Who is eligible to participate:** Generally, all full-time, part-time, temporary and substitute employees willing to contribute a minimum of \$200 per year are eligible to participate in the 403(b) or 457(b) Plan.

**Cancellation of Payroll Deduction by the Employee:** You have the right to cancel your future 403(b)/457(b) contributions at any time. To do so, complete the required form(s) to discontinue salary deductions. Please call Payroll at 727-2330 for further information or to request a form. This does not affect the status of your existing 403(b)/457(b) account balance. Contact your provider with questions about your account.

**Termination of Payroll Deduction by the Employer:** In certain circumstances, your employer may automatically stop your 403(b)/457(b) contributions. If your contributions will exceed the IRS annual contribution limit, your employer will automatically terminate payroll deductions to prevent excess contributions. Contributions will also be terminated if you take a hardship withdrawal.

**Annual Contribution Limits:** The contribution limit, set annually by the IRS, is \$18,000 for 2016. Employees can contribute to both 403(b) and 457(b) plans. Each carry the \$18,000 limit. If an employee is 50 and over, they are allowed to contribute an additional \$6,000 on top of the \$18,000. Please note, VRS Hybrid Plan Employees can not contribute to either a 403(b) or 457(b) plan until they max out their VRS voluntary contributions.

**Vendor(s)/Investment Provider(s):** Voya is the approved investment provider for Hampton City Schools. To request a meeting, please contact Scott Komarnicki at [skomarnicki@gwnsecurities.com](mailto:skomarnicki@gwnsecurities.com) or by telephone at (757) 286-1225.

**Required Form:** To initiate payroll deductions to a 403(b) or 457(b) account, you must execute the Employer’s Salary Reduction Agreement (SRA – SBO Form 305). The initial SRA and enrollment packet should be completed by you and submitted to the Voya representative for processing. SRAs that reflect changes to your payroll deduction should be completed and processed through the payroll department.

This Notice should not be regarded as tax or legal advice. HCS cannot provide you with tax or legal advice. HCS does not endorse, recommend or guarantee the investments offered by the vendor. Please contact your financial representative or tax professional with any questions.