Overview
The IRS developed the 403(b) and Roth 403(b) plans to offer school employees a tax incentive to save for retirement. Both plans are administered by financial institutions that will typically offer several mutual fund options within the plan. You may choose to participate in one or both plans, which must be opened prior to your first contribution.

403(b)
Taxes
Contributions are made to your 403(b) before taxes are taken from your paycheck, reducing your taxable income. Taxes are paid on withdrawals, typically in retirement when you will likely be in a lower tax bracket.

Withdrawals
You may begin to take withdrawals from your 403(b) at age 59½. Penalties may apply to withdrawals taken before this time.

Loans
A loan may be taken against your 403(b) funds while you are still employed. Repayment terms and interest rates are determined by your plan administrator, SchoolsFirst Federal Credit Union.

Roth 403(b)
Taxes
Contributions to a Roth 403(b) are made after taxes are taken from your paycheck, allowing your earnings to grow—and withdrawals to be taken—tax-free if the account has been open for at least five years and you are 59½ or older.

Withdrawals
You may make a withdrawal from your Roth 403(b) when you reach age 59½, upon severance of employment, or in case of hardship, disability or death.

Loans
A loan may be taken against your Roth 403(b) while you are still employed. Repayment terms and interest rates are determined by your plan administrator.

Here to help you
The 403(b) administrator for your district is SchoolsFirst Federal Credit Union. If you have questions, or would like to open your 403(b) account, please contact:

Daniel Christofferson
Retirement Plan Representative

Phone
800/462-8328 x4116

Email
dchristofferson@SchoolsFirstfcu.org

Web site
www.SchoolsFirstfcu.org

Contribution Limits
In 2014, you may contribute up to $17,500 to a 403(b) and/or Roth 403(b), combined.

It is possible to contribute up to $8,500 more than the maximum if you meet the following requirements:
• Age 50+ in 2014 = an additional $5,500
• With employer 15+ years = an additional $3,000

Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with the SchoolsFirst FCU to make securities available to Members. Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution.
Overview
The 457(b) is a deferred compensation plan (DCP) that allows you to save pre-tax dollars for retirement. It is an employer-sponsored plan your district can choose to make available to you. Investment options with a 457(b) include mutual funds and SchoolsFirst FCU share certificates.

Taxes
Contributions are made to your 457(b) before taxes are taken from your paycheck, reducing your taxable income. Taxes are paid on withdrawals, typically in retirement when you will likely be in a lower tax bracket.

Withdrawals
Regardless of age, you may withdraw from your 457(b) when you leave your employer, or in the case of death, disability or unforeseeable emergency. Supporting documentation is required and you may be subject to penalty fees. Distributed funds cannot be rolled back into the plan.

Loans
A loan may be taken against your 457(b) funds while you are still employed. Repayment terms and interest rates are determined by your plan's administrator, SchoolsFirst Federal Credit Union.

Contribution Limits
In 2014, you may contribute up to $17,500 to 457(b).
It is possible to make a catch-up contribution of up to $17,500 more than the maximum if you meet the following requirements in 2014:

- Age 50+ = an additional $5,500; or
- Age is within three years of Normal Retirement Age (NRA) = up to an additional $17,500

The Pre-Tax Savings Advantage
Based on a teacher's annual income of $45,000

<table>
<thead>
<tr>
<th>457(b) Contribution</th>
<th>$100/Month</th>
<th>$300/Month</th>
<th>$500/Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly gross income</td>
<td>$3,750</td>
<td>$3,750</td>
<td>$3,750</td>
</tr>
<tr>
<td>Net Paycheck</td>
<td>$2,786</td>
<td>$2,652</td>
<td>$2,518</td>
</tr>
<tr>
<td>Change in Paycheck</td>
<td>$67</td>
<td>$201</td>
<td>$335</td>
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</tbody>
</table>

A 457(b) account must be opened prior to your first contribution. A complete list of approved providers is available upon request.

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