

## **Participant Retirement Savings Plans FAQ's**

### **What is a 403(b) Savings Plan?**

A 403(b) savings plan is a tax-advantaged retirement savings plan available for public education organizations as well as some non-profit employers. It is similar to the 401(k) in the public sector.

### **What is a 457(b) Deferred Compensation Plan?**

A 457(b) Deferred Compensation Plan is a contribution retirement plan available to state and local governmental employers in the U.S. if offered by the employer. It provides employees an opportunity to 'divert' part of their salary into the plan before taxes and grow the money tax-deferred until the funds are withdrawn.

### **Are there differences between a 403(b) and a 457(b) savings plan?**

While both are retirement savings options that provide a tax-deferred way to grow your retirement savings there are a few differences. For example:

- Funds drawn from your 457 (b) may be accessed without penalty, however, you will be subject to a 10% IRS penalty if you withdraw funds from your 403(b) unless:
  - You are retired and age 55 or older OR
  - You are 59 ½ or older.
- Unlike 457(b) plans, 403(b) accounts allow in-service (while you are still working) cash withdrawals for qualified hardships, disability or at age 59 ½.

You may explore additional comparisons between a 403(b) and 457(b) savings plan at:  
<http://benefitsattorney.com/charts/plancomparison/>

### **Can a district offer both a 403(b) and a 457(b) savings plan or do they have to pick one?**

Districts may offer both a 403(b) and a 457(b) savings plan option.. Offering both, essentially doubles an employee's ability to save money in a pretax environment.

### **What is the maximum I can contribute to a 403(b) and or a 457(b) plan?**

In 2024, the maximum contribution for an employee in a 457(b) savings plan is \$23,000  
However, if you are 50 or older, you can contribute an additional \$7,500 for a total of \$30,500.

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However, if you are 50 or older, you can contribute an additional \$7,500 for a total of \$30,500.

If you are contributing to both a 457(b) and a 403(b), you can save a total of \$46,000 pre-tax if you are under 50 or \$61,000 if you are over 50.

**How do I change the amount I am investing from each paycheck?** To change the amount (fixed or percentage) of your contribution, you will need to log into your account on

<https://www.yourbenefitaccount.net/yourfutureisdaily/>

You will see what you are currently contributing on your homepage and will have options to make changes to what is being withheld. Your changes will be communicated to your local school district and to Ameritime.

NOTE: Some districts may limit the number of times or times of the year when employees may change their retirement withholdings. Please check your local policy before entering changes via the website.

### **How do I change my beneficiary?**

You may update your beneficiary information by logging into your account at:

**<https://www.yourbenefitaccount.net/yourfutureisdaily/>**

**Can I take a loan from my 403(b) retirement account?** In-service (while you are still working) cash withdrawals for qualified hardships or disability are allowable. To discuss your situation please contact Luke McKee at [lmckee@compassfr.us](mailto:lmckee@compassfr.us) or 620-931-2516.

### **Can I roll money into my ESSDACK plan from another qualified account?**

Absolutely.

As a governmental plan, you can roll money into your 403(b) from a previous 403(b) account, a Traditional IRA or any qualified plan as described in section 403(a) or 403A(e)(1) of the Internal Revenue Code.

However, to roll money into your 457(b) account, the funds must originate from another governmental 457(b) plan.

For additional details or to initiate a transfer into your ESSDACK 403(b) account, please contact Luke McKee at [lmckee@compassfr.us](mailto:lmckee@compassfr.us)

### **I have accepted a position with a new district who does not participate in the ESSDACK 403(b) plan. Can I continue to make contributions to my 403(b) account?**

Unfortunately, you cannot make additional contributions if your employer has not adopted the ESSDACK 403(b).

However, the Plan is designed to encourage you to stay with us until retirement. You therefore, may leave your money invested in your account if your vested account balance is greater than \$1,000. You will still have full access and control to move your money between and among the available funds and/or models.

If the value of your vested benefit does not exceed \$1,000 and your employment is terminated, a distribution will be made to you in a lump sum payment whether you elect to receive it or not.

**I don't have the time or interest to study a lot of investment options. Will somebody recommend what funds I should purchase inside my account?**

Recognizing that not all educators will want to spend time following the market, the ESSDACK plan offers 5 managed portfolios designed to meet the goals and risk tolerance of the investor.

These include a:

- Conservative Model
- Balanced Model
- Moderate Growth Model
- Growth Model
- Aggressive Growth Model

**What sets the ESSDACK plan apart from other providers of similar services?**

Although different plans offer one or more of the following, very few if any can boast all these features:

- Education—about retirement savings including KPERS information, social security benefits and of course tax-deferred savings options.
- No front end loads
- No back end loads
- No surrender fees
- Minimal termination fees
- In plan conversion option (Non-Roth to Roth)
- Online access to your account ([www.yourfutureisdaily.com](http://www.yourfutureisdaily.com))
- Roth and/or Non-Roth savings options
- No limit to the number of times you can move money between and among funds\*
- Pooled assets under management to leverage group size and reduce plan fees.
- Decreasing fee schedule based on the money under management.
- 12b-1 fees that are normally paid to the broker for selling are returned to the plan to reduce plan costs.

\*Note: Mutual fund companies reserve the right to prevent day trading in their funds. (i.e. trying to time the market by daily or weekly moving funds between/among stock and money market funds.)

**How do I access my account online?**

Go to

- <https://www.yourbenefitaccount.net/yourfutureisdaily/>
- Click on **New Web User?** Y on the right hand side of the screen
- You will then be prompted to enter your Social Security Number (enter without dashes), and your date of birth (MM/DD/YYYY) and your zip code.

- You will be prompted again to confirm your date of birth (MM/DD/YYYY) and your zip code. When finished, click **Submit**.

Upon successfully logging into the system as a New Web User, you will be required to create a User ID and Password. Please keep a record of your User ID and Password for future access to your retirement account.