

To: All Employees
From: Hampton City Schools
Date: June 2021
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 (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.

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 \$19,500 for 2021. Employees can contribute to both 403(b) and 457(b) plans. Each carries the \$19,500 limit. If an employee is 50 and over, they are allowed to contribute an additional \$6,500 on top of the \$19,500. Please note, it would be beneficial to the VRS Hybrid Employee to max out their VRS voluntary contributions before contributing to either a 403(b) or 457(b) Plan.

Vendor(s)/Investment Provider(s): VOYA is the approved investment provider for Hampton City Schools. To request a meeting, please contact either Scott Komarnicki at scott@cfspro.com or (757) 333-7377 or Bob Giorgi at robert.giorgi@voyafa.com or (804) 673-6633.

Payroll Deductions: To initiate or cancel your HCS payroll deductions to a 403(b) or 457(b) account, you must follow 3 easy steps. **Step 1:** Visit VoyaRetirementPlans.com and log in to your account. **Step 2:** In the top navigation menu, select “Account” then “Change Contributions”. **Step 3:** Elect your new contribution amount. You will then select “next” to review your changes and “submit” to process these changes.

PLEASE NOTE: Your contribution rate change will take effect in either the 1st or 2nd pay period of the month following your request.

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.