

Portland Public Schools 403(b) Plan

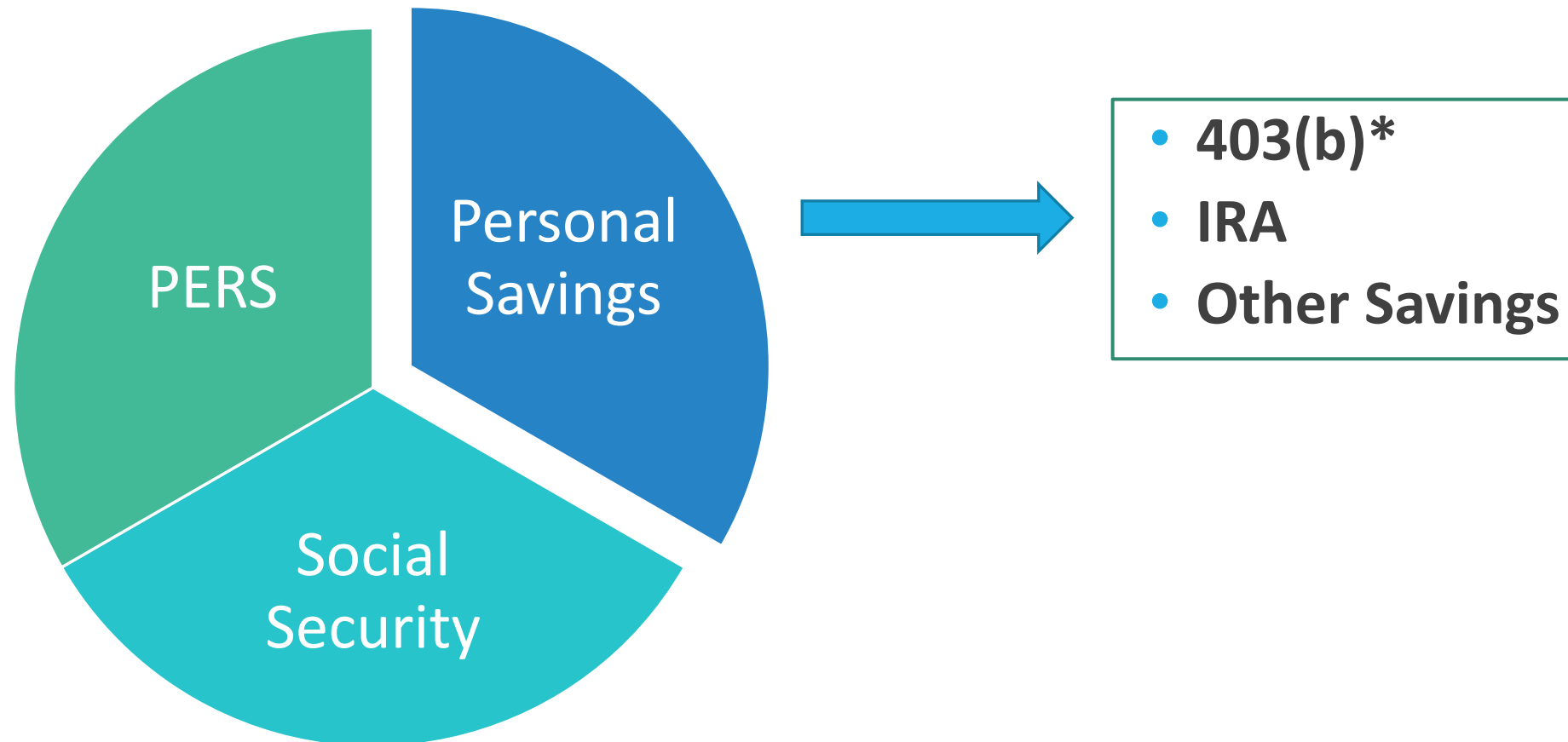
PPS/CCC* 403(B) PLAN WEBSITE: WWW.NCOMPLIANCE.COM

CCC helps PPS administer the 403(b) program -- Call CCC at 503-968-8961 with any questions

403(b) Audience

- **Who is Eligible?**
 - Any PPS staff member with earned income
- **What is a 403(b) Plan?**
 - 403(b) Plans are voluntary supplemental retirement savings plans designed to supplement retirement benefits available from State pension plans and Social Security
- **What Contributions Types Are Offered?**
 - Pre-tax 403(b)
 - Roth 403(b)

Use 403(b) to Increase Retirement Savings



*Similar to a 401k.

403(b) Summary

IRS Annual Contribution Limits (2021)	\$19,500, under age 50 \$26,000, age 50 or older
Special 15 Years of Service Catch-up Limit	Up to \$3,000 per year (\$15,000 lifetime max)
Pre-tax Deferrals	Yes
Roth After-tax Deferrals	Yes
Investment Options	Mutual Funds and Annuities from 10+ Investment Product Providers
Distributions*: Based on Severance	Yes
Based on Age	at 59 ½
Based on Hardship	Yes
Loans	Yes
Purchase Service Credit Transfers	Yes

**Early withdrawal penalty of 10% before age 59 ½ unless due to disability, death or separation of service after age 55.*

Pre-Tax Deferral vs. Roth (Pay Now or Pay Later)



	Pre-tax 403(b)	Roth 403(b)
Employee contributions	Pre-tax dollars	After-tax dollars
Employee withdrawals	Taxable upon withdrawal	Tax-free upon withdrawal*

*Qualified Distribution required for tax-free investment gains:
(Reach age 59.5, and, Roth 403(b) account has been opened for 5 years)

Roth Benefits & Considerations

Tax Flexibility in Retirement	Combined Roth & Pre-Tax 403(b) Contributions Limit (2021: \$19,500 + \$6,500 Age 50 Catch-Up)
Roth Contributions <u>Not</u> Available Under All Vendors or Plans	Higher Limits than Roth IRA (2021: \$6,000 + \$1,000 Age 50 Catch-Up)

403(b) Vendor Comparison



Vendor (Investment Provider)	Products Offered		Type of Financial Advisor used to Educate Employees on Products and Services Offered			Commissions or Sale Charges? ¹	Roth
	Mutual Funds	Annuities	Company Affiliated Representative	Independent (work with multiple Vendors)	Do-It-Yourself (no financial advisor)		
American Funds	✓			✓		✓	
Equitable (AXA)		✓	✓			✓	✓
Fidelity	✓				✓		✓
Invesco	✓			✓		✓	✓
Security Benefit	✓	✓		✓		✓	✓
Vanguard	✓				✓		✓
Voya VRIAC		✓	✓			✓	✓

1. Typically all products are subject to account administration fees and investment management expenses. Some annuity contracts may have surrender charges.

403(b) Vendor Comparison (2)



Vendor (Investment Provider)	Products Offered		Type of Financial Advisor used to Educate Employees on Products and Services Offered			Commissions or Sale Charges? ¹	Roth
	Mutual Funds	Annuities	Company Affiliated Representative	Independent (work with multiple Vendors)	Do-It-Yourself (no financial advisor)		
Penselect (Foresters)	✓			✓		✓	✓
Ameriprise	✓	✓	✓			✓	
AIG (VALIC)		✓	✓			✓	✓
Waddell & Reed	✓		✓			✓	
Lincoln Financial		✓		✓		✓	✓
PlanMember	✓			✓		✓	✓

1. Typically all products are subject to account administration fees and investment management expenses. Some annuity contracts may have surrender charges.

How to make 403(b) Contributions



- ❑ **Open an account with a plan Investment Provider.**
- ❑ **Start your contributions through PeopleSoft Employee Self Service.**
- ❑ **Visit CCC website for 403(b) Plan Information**
 - **www.ncompliance.com**
 - **Call CCC at 503-968-8961**
 - **Submit a question at:
<https://www.ncompliance.com/ask-ccc.aspx>**

403(b) Life Cycle & CCC Engagement



- Start Now!**
 - **Make time your friend**
 - **Salary Reduction Agreement (via PeopleSoft)**

- Accumulation Phase**
 - **Make changes to address retirement needs**
 - **Make investment & vendor changes / In(de)crease contributions**

- 'Decumulation'**
 - **Make spending decisions in retirement**
 - **Distributions, rollovers, loans, PSCTs**

Tools & Info (Links from CCC website)



- [BrokerCheck](#)
- [Oregon's Insurance Resource Page – Check a License](#)
- [Vendor information & links including Fee Summary](#)
- [Choosing an Investment](#)
- [403\(b\) General Information](#)