

Voluntary Retirement Programs

Pre-Tax and After-Tax Options



Saving money for retirement is often a low priority in our busy lives. We usually have more immediate financial concerns, such as paying the mortgage, feeding our family, or saving for our children's college education.

On the other hand, putting money aside for your retirement years should also be an important part of your personal financial plan.

The Pinellas County Schools Voluntary Retirement Program gives you three practical, convenient ways to save for retirement: two pre-tax options (a traditional 403(b) and a 457(b) plan), and an after-tax option (a Roth 403(b)). These plans provide:

- Convenient savings through payroll deductions
- Tax-deferred growth potential
- A choice of investments

Both traditional and Roth 403(b) accounts offer benefits that are similar to retirement savings plans, but are very different in terms of federal tax treatment. You can participate in either or both of these account types during your career to take advantage of the following features:

- Contributions to individual accounts
- Convenience of payroll deductions
- High annual contribution limits
- Flexible loan provisions
- Flexible contributions
- Benefits paid to your beneficiaries at your death

Please note: Your contributions to your voluntary retirement account do not affect Florida Retirement System contributions, which are based on total gross income.

How the Plans Work

Pre-Tax Traditional 403(b) and 457(b) Plans

Contributions made to traditional 403(b) and 457(b) accounts are taken from your paycheck on a *pre-tax* basis and are considered a salary reduction. As a result, your taxable income is reduced for every contribution you make. Any earnings on your deposits are tax-deferred until withdrawn, usually during retirement. Withdrawals from traditional 403(b) accounts are taxed during the year of the withdrawal at your applicable income tax rate for that year.

The chart below illustrates how salary reduction savings through a traditional 403(b) or 457(b) plan can increase your take-home pay by lowering your taxes.

Pre-Tax Savings Example					
Traditional 403(b) or 457(b) Voluntary Retirement Deduction (VRD)					
No VRD	Gross Pay	Federal Income Tax*	Social Security	Deduction to Savings Account	Take-Home Net Pay
	\$500.00	\$34.91	\$38.25	\$25.00	\$401.84
With VRD	Gross Pay	Federal Income Tax*	Social Security	"Reduction" to Tax Shelter	Take-Home Net Pay
	\$500.00	\$31.16	\$38.25	\$25.00	\$405.59

* Amounts shown as deductions for Social Security and federal income tax may differ depending on your federal tax rates and number of personal (W-4) exemptions.



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After-Tax Roth 403(b) Plan

Contributions made to a Roth 403(b) account are taken from your paycheck on an *after-tax* basis. Your taxable income is not reduced by contributions you make to your account. Any earnings on your contributions are not taxed as long as they remain in your account for five years from the date your first Roth contribution was made and you have a qualifying distributable event. All qualified distributions from Roth 403(b) accounts are tax-free.

Maximum Allowable Contributions

You can participate in one, two, or all three of the plans. However, federal regulations limit the amount you can defer during a calendar year. These limits are determined by Maximum Allowable Contribution (MAC) calculations. The MAC is calculated on a calendar year basis from January 1 through December 31. The limit for 2017 is \$18,000. The 2018 limits were not available at the time this guide was printed. (If you turn age 50 or older during the year, you can contribute an additional \$5,500.) **You are responsible for making sure that the amount deferred each year does not exceed IRS limits.** MAC calculation estimates and retirement benefit handbooks are available online during the first quarter of each calendar year to help you determine the amount of your annual retirement account contribution.

403(b) and 457(b) Distribution Transactions

Distribution transactions may include any of the following: loans, rollovers, exchanges, hardships, or other normal distributions. You may request these distributions by completing the necessary forms obtained from your provider and TSA Consulting Group, Inc. (TSACG) as required. All completed provider forms, accompanied by the Transaction Routing Request form, should be submitted to TSACG for processing. TSACG's Transaction Routing Request form may be downloaded at <https://www.tsacg.com>.

Enrolling in the Plans

To participate, you must select an investment plan from the list of authorized investment providers on the next page. Check the list to determine whether the provider you select offers the plan(s) you want.

Carefully compare investment products **before** you select a provider and take the time to understand the investments you are choosing and the implications of your investment decision. If you do not understand the information presented to you by a sales representative or are unsure about a product, do not complete the online payroll deduction authorization.

You can enroll in a plan or cancel your contributions anytime up to a maximum of four changes during the calendar year. You must complete the standard Payroll Reduction Authorization for Pinellas County Schools online at <http://www.tsacg.com>.

The authorized list does not reflect any opinion as to financial strength or the quality of the product or service for any company. The products that these companies provide are typically standard-interest annuities, variable annuities, and mutual funds.

Payroll deductions are permitted for those vendors who have made proper application and are on Pinellas County Schools' list of authorized vendors. **Pinellas County Schools does not endorse or recommend any product or vendor** and does **not** offer financial advice.

If you have questions about a vendor,
you can call:

**Florida Department of
Financial Services Consumer Helpline**
(800) 342-2762

To file a complaint about a vendor,
go online to:

Florida Office of Financial Regulations
[http://www.flofr.com/staticpages/
fileacomplaint.htm](http://www.flofr.com/staticpages/fileacomplaint.htm)

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Other Information

TSA Consulting Group is the third party administrator for the Pinellas County Schools' Voluntary Retirement Program. If you wish to start a deduction, increase, decrease or suspend your deduction to your Roth, 403(b) or 457 plan, you must utilize the online system. The ART system is used when requesting loans, rollovers, distributions, and contract exchanges from your account. The online process eliminates the need for paper SRAs and allows around-the-clock access for employees.

- To use the ART system you will need to establish your initial ART system login, visit the secure ART login website:
<http://www.tsacg.com/individual/art-help>.

- To open up an account you must go through a current representative of the district's 403(b) and 457 approved Investment Providers who are trained and able to assist employees with this online process. In addition, TSA Consulting Group has a toll free customer service help line to assist you (888) 796-3786, Option 5, available Monday–Thursday 8:00 a.m.–6:00 p.m. EST and Friday 8:00 a.m.–4:00 p.m. EST.

2017–2018 Voluntary Retirement Program

List of Authorized Investment Providers

COMPANY NAME	PRODUCTS AVAILABLE			AGENT OF RECORD	TELEPHONE
	403(B)	457	ROTH 403(b)		
Achieva		X		Pat Leach	727-431-7358
Aetna-VOYA	X	X	X	Diane Petitta	813-281-3751
American Century (No Load)	X	X	X	www.americancentury.com/florida	800-345-3533
AXA Advisors	X	X	X	Ryan Lau	813-466-3195
Fidelity Funds (No Load)*	X	X		www.fidelity.com/atwork	800-343-0860
Franklin Templeton	X			Andrew Aiello	727-299-4624
Horace Mann	X	X	X	Gary Cucchi	813-600-3268
Lincoln Investment	X	X	X	Brett Smith	800-771-7732
Northern-VOYA	X	X	X	Keista Ransom	813-281-3743
Plan Member Services	X	X	X	Richard Rush	800-874-6910
Security Benefits		X	X	Jacob Moore	727-543-5098
The Legend Group	X	X	X	Steven Fisher	727-578-2828
Valic	X	X	X	Chris Brown	813-269-3362
Waddell & Reed	X	X	X	Todd A. Mazur	813-286-9196 x126

* Call Fidelity or go online to request a 403(b) or 457(b) enrollment kit and fund prospectus. Contact Risk Management at 727-588-6141 to request a salary reduction agreement to authorize payroll reductions.



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Resources

For more information about the PCS Voluntary Retirement Program:

Call

- Your investment provider representative, or
- The PCS Retirement Team: 727-588-6141

Visit

- https://www.tsacg.com/employee_site/districts/florida/pinellas.htm

The following websites offer relevant information

- **Social Security Administration** www.ssa.gov
Find answers to your questions concerning Social Security.
- **Administration on Aging** www.usa.gov
Information on retirement, Medicare, and other issues for retirees.
- **Internal Revenue Service** www.irs.gov
Source for tax information, including changes to the tax code.
- **U.S. Department of Labor** www.dol.gov
Information for the workforce.
- **Morningstar** www.morningstar.com
Information on stocks, funds, and factors affecting the stock market.
- **A.M. Best Company** www.ambest.com
Information on company ratings, products, and news.
- **Standard and Poor's Company** www.standardandpoors.com
Information on company ratings, fund information, indices, and more.
- **American Savings Education Council** www.choosetosave.org/asec
Information about saving for retirement.
- **Employee Benefit Research Institute** www.ebri.org
Information on employee benefit programs.
- **Employee Benefits Security Administration** www.dol.gov/ebsa/
Information on pensions, COBRA, plan sponsors, compliance, fraud, and more.

Florida Retirement System (FRS)



Key Differences Between FRS Plans

Pension Plan

A traditional retirement plan designed for longer-service career employees.

You qualify for a benefit after eight¹ years of service. You are always fully vested in your own contributions as long as you remain in the Pension Plan².

PCS contributes the majority of your FRS retirement plan contribution based on a fixed percentage of your gross salary as determined by the state legislature. A mandatory 3% pre-tax contribution is deducted from your paycheck and deposited into the Pension Plan trust fund.

Pays a guaranteed lifetime monthly benefit using a formula based on the service and salary while you are working for an FRS employer. Plan underfunding or future cost increases could make it necessary for the Florida Legislature to reduce benefits.

Investment Plan

A retirement plan designed for shorter service and more mobile employees.

You qualify for a benefit after one year of service. You are always fully vested in your own contributions as long as you remain in the Investment Plan².

PCS contributes the majority of your FRS retirement plan contribution based on a fixed percentage of your gross salary (total employee and employer rate is 6.3% for Regular Class employees). A mandatory 3% pre-tax contribution is deducted from your paycheck and deposited into your retirement account.

Your benefit depends on the amount of money contributed to your account and its growth over time. You decide how to allocate the money in your account among the available investment funds. Future plan cost increases could make it necessary for the Florida Legislature to reduce the amount that employers contribute to the plan, which may result in a lower benefit.

- ¹ If you have any Pension Plan service prior to July 1, 2011, you are subject to six-year vesting. If you join the Pension Plan on or after July 1, 2011 and have no previous Pension Plan service, you are subject to eight-year vesting.
- ² How your employee contributions are distributed or refunded to you depends on a number of factors, especially if you use your 2nd Election to switch Plans in the future. You can call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2, for information.

The Florida Retirement System (FRS) was established in 1970 to provide a retirement program for participating public sector employers. The FRS gives eligible new employees the opportunity to participate in either the Pension Plan or the Investment Plan. You must elect one of the two plans within your first eight months of employment. If no election is made, you will default into the Investment Plan. Your 2nd Election can be used to switch plans one time during your active career with an FRS employer.

About the DROP Option

The Deferred Retirement Option Program (DROP) allows FRS Pension Plan participants to retire without terminating employment for up to five years while your retirement benefits continue to accumulate and earn interest. You can participate in DROP when you reach your normal retirement age or date. Administrators and Support Personnel who do not join DROP within 12 months of becoming eligible to participate will lose their opportunity to join DROP. Investment Plan members are not eligible for DROP.



Florida Retirement System (FRS)

About the MyFRS Financial Guidance Program

The MyFRS Financial Guidance Program is available to all Florida Retirement System members. As a member, you have free access to unbiased Ernst & Young (E&Y) financial planners who serve as your personal retirement and financial advocate and answer any retirement and financial questions you have. (Your E&Y financial planner does not sell any investment or insurance products.) You can also register for an educational financial planning workshop in your area conducted by an Ernst & Young financial planner.

You can speak with an E&Y financial planner about:

- Retirement planning
- Investment planning, including investments outside the FRS, such as a PCS Voluntary Retirement plan
- Investment fund performance
- Estate planning
- Debt, spending, and credit issues

The www.MyFRS.com website serves as your gateway to a host of tools and information about the FRS Pension Plan and Investment Plan.

For more information about the Florida Retirement System, the MyFRS Financial Guidance Program, and DROP:

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- Call**
- **The PCS Retirement Team:**
727-588-6214
 - **MyFRS Financial Guidance Line:**
866-446-9377 Option 2
(TRS 711)

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- Visit**
- www.MyFRS.com