



## **457(b) Announcement to Employees**

Date: January 6, 2020

To: All Employees

From: Ashlee Sneary, Human Resources Manager  
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Subject: 457(b) Plan Information

NORTHWEST TECHNOLOGY CENTER SCHOOL DISTRICT #10 maintains a 457(b) Plan for the benefit of its employees. Participation in this plan is voluntary.

One requirement of the 457(b) regulations is that all eligible employees must be given information on their eligibility to participate in the plan and that information must contain enrollment information. Please find your notification attached. To assist with the ongoing administration, the District has contracted with AFPlanServ™ to provide administrative services.

Outlined in the notification are procedures for plan transactions and possible changes to the list of vendors/providers allowed to receive contributions under the plan. Please review the notice carefully.

Thank you.

**Employee 457(b) Plan Eligibility Notice**  
**NORTHWEST TECHNOLOGY CENTER SCHOOL DISTRICT #10**

We are pleased to offer employees the opportunity to participate in the **NORTHWEST TECHNOLOGY CENTER SCHOOL DISTRICT #10 457(b) Plan** (“the Plan”). The opportunity for eligible employees to participate is offered on a voluntary basis.

**What is a 457(b) Plan?**

A 457(b) is a non-qualified, tax-deferred compensation Plan that works very much like other retirement Plans such as 403(b) and 401(k). A 457(b) is available for governmental and certain non-governmental employers in the United States. The employer provides the Plan and the employee defers compensation into it on a pre-tax basis.

**Who is eligible to participate?**

All employees, and independent contractors who perform services for the Employer from time-to-time, are eligible to participate in the Plan unless specifically excluded by the written plan.

Exclusion(s) in our Plan will be indicated below. If no exclusions are checked, all employees and independent contractors who perform services for the Employer from time-to-time are eligible for Plan participation.

- ☐ Employees who are eligible to participate in a 403(b) plan, 401(k) plan or another 457(b) plan of the employer.
- ☐ Employees who normally work fewer than **20** hours per week or who are designated as part-time.
- ☐ All employees to whom the Employer is not contractually obligated to make qualified retirement plan contributions.

**When can Participants enter the Plan?**

- ☒ The entry date for participation is anytime during the Plan year.
- ☐ The entry date for participation shall be \_\_\_\_\_

**How much may be contributed to the Plan?**

The amount that may be contributed to the Plan is set by federal tax law. The limit set is an annual contribution limit.

For the 2020 tax year, the contribution limits are:

- Basic salary deferral limit for all employees \$19,500
- Additional Contribution for age 50+ catch-up \$ 6,500
- ☒ The Plan will permit the Special Section 457(b) Catch-up Limitation for Employees within the three (3) years before reaching Normal Retirement Age as defined by the Plan, to increase their Elective Deferral limitation.  
*(If not checked, NO additional catch-up contribution will be permitted.)*
- ☒ After tax Roth 457(b) contributions are permitted under the Plan. If Roth 457(b) contributions are permitted, see your Provider for more information.  
*(If not checked, after tax Roth 457(b) contributions are NOT permitted.)*

### When is a distribution allowed under the Plan?

The 403(b) Plan is intended as a source of retirement income so there are withdrawal restrictions on the funds, including earnings. A withdrawal or distribution may be taken only for the following reasons:

- Attainment of age 70 ½
  - Severance from employment
  - Death
  - A "qualified reservist" distribution
  - Unforeseeable Emergency (if checked below)
- ☒ Unforeseeable Emergency distributions are available under the Plan from accounts with Investment Providers listed in Appendix I and in Appendix II-A (if applicable).  
(If not checked, Hardship distributions are NOT permitted.)

457(b) Plans may offer distributions to a Participant based on an unforeseeable emergency for reasons such as, but not limited to:

- An illness or accident of the participant, the participant's beneficiary, or the participant's or beneficiary's spouse or dependents;
- Property loss caused by casualty (for example, damage from a natural disaster not covered by homeowner's insurance) of the Participant or beneficiary;
- Funeral expenses of the Participant's spouse or dependent; and
- Other similar extraordinary and unforeseeable circumstances resulting from events beyond the control of the Participant or his or her beneficiary.

A Participant seeking the distribution must show that the emergency expenses could not otherwise be covered by insurance, liquidation of assets or cessation of deferrals under the Plan.

### May I change investment options under the Plan?

- ☐ Employees are permitted to move all or a portion of the value of one investment option under the plan for another approved investment option under the plan. This transaction is called an exchange. These exchanges may be subject to withdrawal or contingent deferred sales charges.  
(If not checked, exchanges are NOT permitted.)

### What other transactions are permitted under the Plan?

Other transactions may be permitted under the Plan. The following list will indicate what options are available:

- Transfers into the Plan from another employer's 457(b) Plan ☒ Yes ☐ No
- Exchanges between approved Providers of the same Plan ☒ Yes ☐ No
- Rollovers into the Plan from another eligible qualified plan ☒ Yes ☐ No
- Roth 403(b) or 401(k) direct rollovers into the Plan ☒ Yes ☐ No
- Loans are available under the Plan subject to availability and any additional conditions that may apply under a Participant's 457(b) Individual Agreement(s)\* ☒ Yes ☐ No

\* Loans are available under the Plan from accounts with Investment Providers listed in Appendix I.

## **Who are the approved investment option providers under the Plan?**

The attached list, Appendix I, indicates the providers that are approved investment option providers under the Plan. If you are participating in the 457(b) Plan and your current provider is listed on the Appendix I, no action is required and your contributions will continue until changed by you. If your contributions were temporarily stopped, you must complete a new salary reduction agreement in order for your contributions to resume. If you are participating and your current provider is NOT listed on Appendix I, you must contact a provider on the list and complete the proper forms to continue 457(b) contributions. Deductions for accounts with providers who are not on Appendix I will be discontinued.

If you are not a current 457(b) Plan participant and you wish to participate in the Plan, you will need to contact a provider listed on Appendix I and complete the proper paperwork to establish an account with that entity. You must also complete a salary reduction agreement authorizing your employer to reduce your salary for the contribution amount.

## **If my current 457(b) provider is not on Appendix I, am I required to move my account balance to an approved provider?**

No. There is no requirement that you transfer any existing account balances to a provider on the list. In fact, you should be very careful about entering into any transaction that would transfer balances to another provider. No transaction should be entered into unless you have all of the information needed to determine if such a transaction is suitable for you and your retirement planning needs.

## **Is Plan approval required for transactions?**

The Plan has contracted with AFPlanServ® for selected plan administrative services. Among the services provided by AFPlanServ® is approval of salary reduction agreements for beginning or changing amounts and/or providers. Salary reduction agreement forms can be found on the website listed below.

The regulations require Plan approval of plan distributions and loans. Forms for these transactions are available and can be downloaded from **[www.afplanserv.com](http://www.afplanserv.com)**, or may be requested by calling 1-866-560-6415 (toll-free). The proper form must be completed. Certain transactions may require additional documentation. You should follow the instructions on the form. The form with requested documentation should then be sent to AFPlanServ®. The mailing address is:

AFPlanServ  
P.O. Box 269008  
Oklahoma City, OK 73126-9008

If approval is granted for the transaction, this approval should be forwarded to the provider. The provider may or may not require that the provider's forms also be completed to effect the transaction.

## **Who do I contact if I have questions?**

If you have questions concerning account balances, the status of approved transactions, or investment option details, contact your investment provider.

If you have questions on changing your contribution amount, contact your employer or investment provider.

If you have questions on transaction approval, contact AFPlanServ® at:

**Mailing Address:** AFPlanServ  
P.O. Box 269008  
Oklahoma City, OK 73126-9008

**Phone Number (toll free):** 1-866-560-6415

**Fax Number (toll free):** 1-866-578-0962

## APPENDIX I

### Approved Investment Option Providers Effective Date 1/1/20

#### NORTHWEST TECHNOLOGY CENTER SCHOOL DISTRICT #10

##### Providers authorized to receive Contributions, Exchanges, and Transfers

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<u>Provider Name</u>	<u>Provider Contact</u>	<u>Provider Telephone</u>
AMERICAN FIDELITY INSURANCE	ANNUITIES	(800) 662-1113
GWN MARKETING CUSTODIAL ACCOUNTS	RICHARD COLLINS	(405) 359-7500

##### Important Notes:

1. As provided under the Plan, any authorized Vendor named in Appendix I has agreed to share information necessary for compliance purposes with Employer, an Administrator and/or with any other 457(b) provider as may be required to facilitate compliance with the Plan and all applicable laws and regulations.
2. Each Vendor named above is required to maintain records in the Funding Vehicles offered under the Plan to comply with the information sharing requirements of the Plan and applicable information sharing agreements.

This Appendix is dated: December 4, 2019