

Dear Employee of Fairfield Board of Education,

With the new school year upon us, it is time to get back to business and start thinking about an important, yet often overlooked piece of your benefits package. Many employees have heard of a 403(b) plan, but few know what it is. Section 403(b) of the Internal Revenue Code provides a way for any district employee to defer a portion of their salary into a retirement account on a pre-tax basis.

### **1. Tax Breaks:**

- No federal taxation on contributions or any earnings; taxation is deferred until amounts are withdrawn or distributed\*
- Tax-deferred growth potential
- Tax-deferred access using loan provisions provided in the plan
- Similar to a 401(k) plan, but for public school employees
- If eligible, in 2021 you can contribute up to 19,500. Eligible employees may be able to contribute more using catch-up contribution

### **2. Automatic Savings:**

- Convenient payroll deduction
- Federal pre-tax basis contributions
- An easy way to save

### **3. Supplement Your Retirement:**

Generally, many people may live 20 or 30 years in retirement, you should consider a supplement to existing plans:

- New Jersey, (your pension)
- Social Security

You can start a 403(b) plan with as little as \$20 pre-tax dollars a paycheck. It's an easy way to work toward a better retirement. Financial Professionals will be available throughout the school year to help you get started.

**For more information regarding this plan, call or schedule a meeting with me today!**

**Jeffrey Somerstein**  
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