

The Bottom Line

A monthly newsletter brought to you by the Business Office.

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Tax-Sheltered Annuity Plans 403(b) Benefits



According to the Internal Revenue Service, a 403(b) plan, also known as a tax-sheltered annuity (TSA) plan, is a retirement plan for public school employees. What are the benefits? They are three-fold:

First, you do not pay income tax on allowable contributions until you begin making withdrawals from the plan, usually after you retire. Second, earnings and gains on amounts in your 403(b) account are not taxed until you withdraw them. Lastly, you may be eligible to take a credit for elective deferrals contributed to your 403(b) account.

Supplemental Retirement Plan: Deferred Compensation 457 Plan



The Massachusetts Deferred Compensation SMART Plan is established under the Internal Revenue Code Section 457 which allows municipal employees to save and invest before-tax through salary deferrals. What are the benefits? Savings with before-tax contributions lowers your current taxable income. Contributions and earnings grow—tax-deferred—until you take distributions in retirement.

Interested in Saving for Your Future?



Mid-America is the district's 403(b) Plan Administrator. If you are interested in learning more, or want to contribute to a 403 (b) plan, please click [here](#) or call 1-866-873-4240. As a participant, you choose the investment firm where your contributions are directed.

Great West Financial Services Equities, Inc. is the vendor for the 457 Deferred Compensation Plan. Please click [here](#) or call 1-877-457-1900. As a participant, you do not have the choice of investment firms.

What are the Contribution Limits?



As an employee of the school district, you have the unique opportunity to contribute to both plans, up to the maximum limits. For calendar year 2017, the limits are:

Plan	Normal Limit	"Age 50" Catch-Up Limit
457	\$18,000	\$6,000
403(b)	\$18,000	\$6,000

For calendar year 2018, the limits are expected to increase by \$500. Employees can choose an annual amount to contribute to one or both plans. Deductions are made each pay period and can be changed or stopped at any time with the submittal of a form. If you have questions, please contact the Human Resource Office or either company.

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