

Caledonia Central Supervisory Union 403(b) Plan Provisions Summary

Provisions effective January 1, 2021

Participation Date:

- For employee pre-tax salary deferral contributions: date of hire

Eligible Employee: all employees except students who are employed by the Supervisory Union or Member School Districts.

Employee Salary Deferral Contributions:

- Contributions are made with pre-tax compensation through payroll deduction; maximum dollar amount may not exceed the amount indicated below.
 - up to \$19,500 for 2021 (if age 50 or older may add an additional \$6,500.00 by year-end)
 - may stop on any pay period (a request for change must be in writing and received by the payroll administrator at least seven days prior to the effective date of the change)
 - may change deferral amounts on the first of any calendar quarter (a request for change must be in writing and received by the payroll administrator at least seven days prior to the effective date of the change).

Rollover Contributions: amounts which participants received from a prior employer's plan (including 401(k), profit sharing, 403(b), money purchase, and defined benefit plans) may be rolled over tax-free to this plan.

Vesting: all contributions and earnings are 100% vested immediately.

Investments: list of eligible vendors is attached to the "Notice of Eligibility"

Hardship Withdrawals: permitted from cumulative salary, deferrals (not the earnings) for purchase of principle residence, payment of medical expenses, prevention of foreclosure or eviction, college expenses, catastrophic loss to your home, or funeral expenses. Employee must cease contributions to the plan for 6 months following a withdrawal.

In-Service Distributions: are available for participants who are age 65 and still employed by the Supervisory Union or Member School Districts. Distributions are taxed as regular income.

Benefit Payments:

- Timing: as soon as reasonable following the participant's termination of employment.
- Form: lump sum or any other options available under the investment contract(s) you have selected.

Fees: Participants will be responsible for the following charges (if not provided by the vendor):

- Hardship withdrawals and/or terminate distributions: \$125 per distribution plus \$65 for preparation of tax form 1099 (required for plan distributions); and
- Review of Qualified Domestic Relations Orders (QDRO): \$125 per hour (QDRO's are part of some divorce settlements).

Questions: contact the Business Manager at the District office, for additional information or if you need the "Acknowledgement of Eligibility and Salary Deferral Election Forms." Phone: (802) 684-3801.

Caledonia Central Supervisory Union

Notice of Eligibility for 403(b) Plan Salary Deferral

The Caledonia Central Supervisory Union and its Member School Districts (hereafter “Supervisory Union”) offers all of its employees the opportunity to participate in a pre-tax salary deferral 403(b) arrangement (also known as a tax-deferred annuity or tax-sheltered annuity).

In order to participate, you will need to select an investment company or insurance company for investment of your salary deferral contributions. The Supervisory Union currently remits contributions by its employees to the firms which are itemized on the attached List. If you would like to establish a 403(b) arrangement, you will need to contact one of the investment firms on that list and then complete the Salary Deferral Election Form on Page 3.

There are several things you should know about this arrangement – about our role and about your responsibilities.

Our role: is to withhold your elected amount of salary from your paycheck each payroll and to remit it as soon as possible following payroll to the investment fund you select.

Your role: is to select the investment funds which you wish to utilize, without any influence from us. Only certain types of investments are allowed as 403(b) investments; these are, generally, non-transferable annuities and mutual funds.

If you elect to contribute an amount which exceeds the basic contribution limit by law for the year (i.e., if you wish to utilize the “Age 50 or older catch-up” contribution), it is your responsibility to determine the amount of catch-up for which you are eligible.

You should monitor your account to ensure that salary deferral amounts are received and credited to your account.

If you participate in a 403(b) arrangement through Caledonia Central Supervisory Union and another employer’s 403(b) or 401(k) plan, it is your responsibility to ensure that your contributions do not exceed the maximum contribution limitations for the year. You have until April 1 following the end of the year to notify us if your deferrals exceed the legal limit for the year.

Any withdrawals from your 403(b) account are subject to the terms of our Plan Document and must be approved by the Supervisory Union. Contact the Business Manager at the Supervisory Union office in Danville for additional information and or approvals.

Phone: (802) 684-3801

Your Election Not to Participate: whether or not you elect to participate in a salary deferral contribution, we ask that you acknowledge your receipt of this information by completing the information on page 3 and 4 and returning that page to **(this is mandatory):**

Mail: PO Box 216, Danville, VT 05828 **Fax:** (802) 684-1190

Changing Your Election: you may change the amount of your salary deferral on the first day of any calendar quarter (Jan 1, April 1, July 1, or October 1) by providing advance written notice at least seven days prior to the effective date of the change to the payroll department. You may stop your deferrals at any time with written notice at least seven days prior to the effective date of the change.

Caledonia Central Supervisory Union
Acknowledgement of Eligibility and Salary Deferral Election Form
403(b) Salary Reduction Agreement

Complete this form, sign it and submit it to the Superintendent's Office, to authorize or change salary reduction contributions to your 403(b) account. **Return this form to the Superintendent's Office.**

All employees must complete this form whether or not you elect to participate

1. Employee Information:

Employee Name: _____
(print name)

Social Security Number _____

A. I elect **NOT** to participate in the Caledonia Central Supervisory Union 403(b) Plan,
please complete section 3 below.

B. I elect **TO** participate in the Caledonia Central Supervisory Union 403(b) Plan,
please complete Sections 2 & 3 below.

2. Contribution Information (for employees who have selected "B" above):

**Effective for the first payroll in the contract year 2021/2022; or if later, with the next
Payroll following my election** (a minimum of 7 business days prior to the next pay date is required)

My 403(b) account is held with:

I have completed an enrollment form with the vendor selected from the list of Investment Providers offered under this Plan.

Please reduce the salary I receive by the following amount each pay period and contribute that amount to my 403(b) account:

_____ % of gross pay or \$ _____ per pay check
(percentage)

3. Signature – All employees must sign below

As the employee, I understand that:

- a. This Agreement will take effect with the next payroll following receipt of this Agreement (a minimum of 7 business days prior to the next pay date);
- b. This Agreement will be renewed automatically each January 1 unless my employer and I agree, in writing, to amend this Agreement;
- c. I can terminate this Agreement, in writing, at any time with respect to compensation I have not yet earned; and
- d. I may change this Agreement on the first of each calendar quarter, in writing, with respect to compensation I have not yet earned.

Employee Signature

Date

(* ___ I participate in a separate 403(b) Plan and have completed the information below)

Employer Signature

Date

Please return this form, pages three and four, to the Superintendent's office:

Caledonia Central Supervisory Union
PO Box 216
Danville, VT 05828
Phone: (802) 684-3801