

## **Regional School District 13**

### **403(b) Frequently Asked Questions:**

#### **What is a 403(b) Plan?**

A 403(b) plan, often referred to as a TSA, is a tax sheltered retirement savings plan. Eligible employees can contribute pre-tax dollars to their plan, which will be allowed to grow tax free until the funds in question are withdrawn (usually at retirement).

#### **Who/what is The OMNI® Group? Do I need to invest with OMNI®?**

OMNI® is a Third Party Administrator (TPA) of 403(b) plans working with RSD 13 to ensure compliance with IRS regulations governing the operation of 403(b) plans. OMNI® also facilitates the remittance of 403(b) contributions to participating service providers.

#### **Who is eligible to contribute to a 403(b) plan?**

All full time employees are eligible by default. Contact the payroll and benefits department for specific information regarding your eligibility.

#### **How do I contribute?**

Your first step will be to contact a participating 403(b) service provider to establish your investment account. A list of participating vendors is available on OMNI®'s website at [www.omni403b.com](http://www.omni403b.com). After working with your service provider to establish your account and select investment vehicles, you will then need to complete an OMNI® online Salary Reduction Agreement (SRA) to initiate your deductions.

#### **Can I change my deduction amount/ service provider?**

There are no limits on the number of changes you can make. Simply complete an SRA form on the Omni website.

#### **How much can I contribute to my 403(b) plan?**

Contribution limits are dependent on a number of factors. The IRS sets base limits each year. A 403(b) plan is a **voluntary** salary reduction retirement plan. Eligible employees may choose to make contributions.

#### **How do I contribute to my 403(b) plan?**

You choose to "defer" a percentage of your current pay directly into the 403(b) plan by completing the [Salary Reduction Form](#). This amount is automatically deducted from your paycheck before taxes are calculated to give you the benefit of tax-deferred savings.

#### **When are contributions deposited into my 403(b) plan?**

Contributions are withheld over 20 pay periods and are remitted to Omni on each pay date but no more than 15 business days after the end of the month in which the amount was deducted.

#### **Do I pay taxes on 403(b) plan contributions?**

403(b) plan contributions and any earnings on your contributions are not subject to income taxes until you withdraw the funds. However, contributions are subject to Social Security and Medicare (Federal Insurance Contribution Act, or FICA) and unemployment insurance (Federal Unemployment Tax Act, or FUTA) taxes. Participation in a 403(b) plan does not reduce your Social Security benefits.