

## Enrollment in the Blaine School District - 403(b) Plan

We are pleased to announce changes to our 403(b) plan. In order to help keep the plan in compliance with the regulations, we will begin remitting the 403(b) plan contributions using CPI Qualified Plan Consultants, Inc. (CPI) for payrolls dated on or after 02/27/09.

Below is the current Approved 403(b) Plan Vendor List which contains a complete list of the approved vendors as well as some of their financial advisor's contact information. The list also includes vendors who are only approved to receive contract exchanges from other vendors under the 403(b) Plan maintained by Blaine School District. The list of approved vendors can also be found on the CPI Participant Website. Also below is a paper titled "Important Benefit Information Regarding Your 403(b) Plan", which provides some general information.

In order to enroll in the plan, you will need to review the information on the Approved 403(b) Plan Vendor List and then contact the vendors to determine where you would like to invest your contributions. The financial advisor will provide you with their form that will set up the contract or account with the vendor. Once you have completed the paperwork provided by your selected financial advisor, you can use the website to elect/change the amount you wish to defer, as well as to make future changes in your vendors. The CPI Participant Website can be accessed 24 hours a day, 7 days a week. The 403(b) Online Enrollment Instructions are posted on the Blaine School District website. This outlines the features of the website and provides instructions for accessing the website. If you need assistance you can contact CPI's Participant Service Center at (877) 488-4040 from 7 a.m. to 7 p.m. Central Time, Monday through Friday.

In the future, to ensure that the requirements for loans and hardship withdrawals are met, you will need to obtain a voucher from CPI prior to receiving a loan or hardship withdrawal. The voucher can be obtained through the CPI Participant Website. If you do not have access to the internet, you can contact the CPI Participant Service Center at (877) 488-4040 to obtain a paper copy of a Voucher Request. This voucher will need to be provided to your vendor(s) along with their standard forms. The voucher is needed as it lets your vendors know that you have met the regulatory requirements. The voucher does not guarantee that a loan or hardship withdrawal can be made, as each vendor may apply additional restrictions, just that you have met the regulatory requirements to receive a loan or hardship withdrawal.

In order to ensure that requirements are met on future contract exchanges between vendors you will need to obtain a voucher from CPI. The voucher can be obtained through the CPI Participant Website. You can also contact the CPI Participant Service Center at (877) 488-4040 to obtain a paper copy of a Voucher Request. If the contract exchange is approved, you will be provided with a voucher, which will need to be provided to the transferor vendor along with the vendors transfer request forms. It is important that a voucher is obtained before assets are transferred. Any transfer that is made that does not comply with the final regulations could cause the loss of the tax-qualified status of the money transferred to the vendor. If this happens, the money will become taxable to you.

If you have any questions regarding this information, please contact the CPI Participant Service Center at (877) 488-4040, send an email to [Participant.ServiceCenter@cpicrs.com](mailto:Participant.ServiceCenter@cpicrs.com).

Sincerely,

Allysa Bronson  
Human Resources

## APPROVED 403(b) PLAN VENDOR LIST

Plan Name: Blaine School District 503 403(b) Plan

Plan Sponsor: Blaine School District 503

Effective Date: 01/16/2009 Ref. No.: 103858

This list identifies the investment vendors available under the 403(b) plan maintained by Blaine School District 503, on or after the effective date of this list. The information can also be found on the CPI Participant Website. After you have logged onto the site using your User Name and Password, click on "Plan Contacts" near the top right of the screen. A new screen will appear that will contain the list of vendors. By clicking on the arrow to the left of the vendor's name, you will be able to view the contact information.

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A. The following Vendors are authorized to receive contributions and contract exchanges between vendors under the 403(b) Plan:

Name of Vendor	Contact Information for Local Financial Representative	
American Fidelity Assurance Company	Linda Dodman	(866) 576-0201
Ameriprise Financial Services Inc.		(360) 734-9000
Commonwealth Annuity & Life Insurance Co., for itself, Protective Life, and Kemper Investors Life	Steven Shelgren	(425) 251-5910
Great American Financial Resources Incorporated	Bradley Knowles	(425) 222-4142
Oppenheimer Funds		(800) 835-7305
Security Benefit Group of Companies	Bradley Knowles	(425) 222-4142
Sunset Life Insurance		(816) 753-7000
Thrivent Financial for Lutherans		(800) 847-4836
Waddell & Reed Financial Services		(360) 734-4728

## **Important Benefit Information Regarding Your 403(b) Plan**

### **What is a 403(b) retirement plan?**

A 403(b) is a tax-deferred retirement plan for employees of public educational institutions and certain other non-profit organizations. A 403(b) plan allows you to contribute a portion of your compensation on a pre-tax basis in order to save for your retirement. Contributions are made to the plan by payroll deduction.

### **Can I make contributions to the 403(b) plan?**

You have the right to make contributions/elective deferrals to the 403(b) plan. If you wish to start contributing to the plan, refer to the question titled “What do I need to do in order to start making elective deferrals?” for information on how to get started.

### **What are the benefits of contributing to a 403(b) plan?**

- Contributing to a 403(b) plan helps to ensure that you will have funds to provide yourself with an income during retirement.
- The pre-tax elective deferrals that you make to the plan now are not taxed until you withdraw them. This means you are lowering your taxable income now, and will potentially lower the amount of income tax you will pay on those funds at the time of withdrawal when you may be in a lower tax bracket.
- Both your pre-tax elective deferrals and earnings grow tax free until they are withdrawn.

What do I need to do in order to start making elective deferrals?

You will need to make an election regarding how much of your compensation you wish to defer to the 403(b) plan. To make this election, access the CPI Participant Website at <https://www.cpicrs.com>.

You can locate a list of vendor(s) approved with in the plan to receive contributions under this 403(b) plan and their contact information by visiting the CPI Participant Website or on the Approved 403(b) Vendor list above. The financial advisor representing the vendor(s) will provide you with their form that will set up the contract or account with the vendor. Once you have completed paperwork provided by the selected financial advisor please enroll using the enclosed enrollment form, once you have completed this form please return it to CPI Common Remitter and Compliance Services, P.O. Box 110, Great Bend, KS 67530 or by faxing it to (620) 792-5622.

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

In 2009 you can make elective deferrals up to \$16,500. As this amount is subject to cost of living increases as set by the government, this amount will increase over time. In addition, if you have met certain conditions, you may have the opportunity to contribute above this limit; these contributions are known as “catch-up contributions.” The first catch-up contribution is the “Age-50 Catch-up Contribution”. If you are at least age 50 by the end of a calendar year, you have the ability to contribute an additional \$5,500 a year. This amount is also subject to cost of living increases as set by the government, so it will increase over time. The second contribution limit is known as the “15 Year of Service Catch-up Contribution”. If you have at least 15 years of service with Blaine School District you may be eligible to contribute up to \$3,000 a year above the elective deferral limit until the amount of the additional catch-up contributions made using this special rule equals \$15,000. Both the Age-50 Catch-up Contribution and the 15 Year of Service Catch-up Contribution can be used in the same year.

### **When can funds be withdrawn from a 403(b) plan?**

A 403(b) retirement plan is intended as a way to save over the long-term for your retirement. Therefore, distribution of the funds are only allowed when you separate from service, are disabled, die or are at least age 59 ½.

Taking a non-taxable loan or a hardship withdrawal are options available to you should it be necessary for you to withdraw funds from your 403(b) plan prematurely. Taking a hardship withdrawal must meet the requirements that be an immediate and heavy financial need. However, certain income taxes and tax penalties may apply depending on the situation.

**For more information on enrolling in your 403(b) Plan, making changes to your current deferral or vendor elections, or any other questions or requests for information, please contact the CPI Participant Service Center at (877) 488-4040 from 7:00 a.m. to 7:00 p.m. Central time, Monday through Friday. You can also send an e-mail to [Participant.ServiceCenter@cpicrs.com](mailto:Participant.ServiceCenter@cpicrs.com).**