

**YORKTOWN INDEPENDENT SCHOOL DISTRICT**  
**331 W. MAIN P.O. BOX 487**  
**YORKTOWN, TX 78164**  
**(361) 564-2252 fax (361) 564-2254**

To: All District Employees

Subject: 403(b) and 403(b)(7) Eligibility

As a reminder to all employees you are eligible to participate in a 403(b) or 403(b)(7) tax deferred (TSA) retirement plan. TSA's are voluntary benefit plans that you may contribute to for retirement purposes without paying taxes on your contribution or the interest that accumulates in the retirement plan. Taxes will be payable on benefits from the plan once you begin to take a distribution which may be started when you attain age 59 ½, but not later than 70 ½. If you withdraw money prior to 59 ½, you may be subject to an additional 10% tax penalty.

If your employer allows Roth 403(b) to be included in the employer's 403(b) plan and you elect to participate in a Roth 403(b), you will be making contributions on an after-tax basis. In most situations this means there are no taxes due when you start a distribution or make withdrawals after age 59 ½.

If you are currently participating in the District's 403(b) Plan, you may be able to increase your contribution amount or, if your financial circumstances have changed, you may also decrease your contribution amount. Contact your financial representative or agent for additional information.

An employee who is actively employed by the District may exchange their current vendor company for another approved vendor company. Only TSA plans that are certified by the Teacher Retirement System of Texas ([www.trs.state.gov](http://www.trs.state.gov)) qualify for payroll reduction.

A list of vendor companies currently offering products in the District is available from our Third Party Administrator at [www.criderins.com](http://www.criderins.com), click on forms, then the District. Additional information to assist you with establishing a 403(b) plan is included on the web site. Neither the District nor the Third Party Administrator gives tax advice. Please consult your financial advisor or other tax advisor to determine how participating in a 403(b) may affect your tax status.

You may find additional information regarding 403(b) plans on the IRS website, [www.irs.gov/publications/p571](http://www.irs.gov/publications/p571).

The District does not endorse or recommend any company and/or agent.