

NATIONAL BENEFIT SERVICES, LLC
800-274-0503

FAQ:

What are the tax advantages of participating in the 403(b) plan?

Your gross salary is reduced by the amount of the pre-tax 403(b) contribution thus lowering your current tax responsibilities and delaying them until retirement or such time that you decide to withdraw the contribution.

What are the tax disadvantages of participating in the 403(b) plan?

403(b) contributions distributed to you may be subject to IRS penalties if withdrawn prior to age 59 ½. Additional IRS penalties may apply if you fail to begin distributions at your required beginning date.

How do I enroll in the 403(b) plan?

- **Step 1**

Visit our [home page](http://www.nbsbenefits.com), www.nbsbenefits.com, to find your state and employer. Your employer's page will have a list approved investment providers for you plan.

- **Step 2**

Select a provider, and contact the provider directly in order to establish an account (a financial advisor may assist you with this process).

- **Step 3**

After your account has been established, complete and submit a Salary Reduction Agreement to initiate salary reductions.

How many changes can I make in a calendar year?

There is generally no limit to the number of changes that you may make to your 403(b) plan participation during a calendar year.

How do I make a change in my 403(b) plan participation?

Visit our [home page](http://www.nbsbenefits.com) to find your state and employer. Your employer's page will have a list of approved investment providers for your plan and a Salary Reduction Agreement to change providers, change contribution amounts, or cancel salary reductions.

Can I have my 403(b) contributions going to more than one investment provider?

Yes, contributions can be directed to more than one investment provider.

What happens to my 403(b) investment if I die?

At the time you establish your account with your investment provider, you should be required to name a Beneficiary. If you die your designated Beneficiary will become the owner of your account. Your investment provider maintains your Beneficiary designation.

If I find that I don't like my investment provider, agent, or representative, what should I do?

- **Step 1**

Interview several Investment Provider agents to determine who is most suitable to your needs.

- **Step 2**

Select a new Investment Provider and contact it or its agent to complete the paperwork necessary to establish your new account.

- **Step 3**

Complete and submit a new Salary Reduction Agreement (found on your employer's forms page) providing instructions to cancel deferrals to your old Investment Provider and direct them to your new Investment Provider.

How do I obtain a 403(b) plan loan?

The Tax Equity and Fiscal Responsibility Act (TEFRA) allows Participants in 403(b) plans to borrow funds from their accounts without the loan becoming a taxable distribution if permitted by the tax-sheltered annuity contract. However, plans and investment providers are not required to offer loans. Check your plan provisions to see if your plan offers loans. Also, check with your investment provider to see if your provider allows loans. If loans are permitted by your plan and provider you will need to complete your provider's loan paperwork in addition to the Loan Authorization Form (found on your employer's forms page).

What investment choices do I have in the 403(b) plan?

Your employer may allow different insurance carriers and annuity investment providers make retirement savings vehicles available to you. You may invest your 403(b) contributions in three types of retirement savings vehicles:

- Fixed Annuities
- Variable Annuities
- Mutual Funds

Please visit our [Glossary page](#) for information about the characteristics of fixed/annuities variable, and mutual funds.. Your employer's page within this website identifies investment providers that are eligible to receive plan contributions.

What are my investment providers or insurance carrier choices?

Your employer's page within this website identifies investment providers that are eligible to receive plan contributions.

How do I determine which 403(b) investment alternative is best for me?

- **Step 1**

A qualified financial planner or advisor should be able to assist you in picking appropriate investment alternatives. The advisor will generally assist you in determining your risk tolerance, time horizon, and investment objectives.

- **Step 2**

The advisor will then assist you in formulating a suitable investment strategy and make recommendations regarding investment alternatives.

Who do I contact if a contribution is missing on my 403(b) account statement?

First contact your investment provider and inquire about the missing contribution. If they cannot provide any assistance, please contact your employer or National Benefit Services, LLC (NBS), the third party administrator.

What is the role of the Third Party Administrator (TPA)?

The Third Party Administrator, NBS, performs the role of administrator bookkeeper, compliance advisor, and common remitter for most 403(b) plans.

When must I start receiving distributions from my 403(b) program?

You are required to begin receiving distributions from your 403(b) plan by April 15 of the year following the year in which you attain the age of 70 ½. Consult with your agent or investment provider to establish an appropriate distribution schedule.

When may I withdraw the money I contribute to my 403(b) plan?

Generally, you may not withdraw your money until you retire. However, other events may enable you to withdraw or rollover to your money to a different retirement savings vehicle (depending on the terms of your 403(b) contract) including:

- Termination of employment with your employer
- Retirement
- Attainment of age 59 1/2
- Death of Participant
- Disability
- Hardship

Consult with your agent or investment provider to ensure you understand all possible tax consequences or penalties that may apply to withdrawing money. Not all 403(b) plans will

permit access upon disability or hardship. Some 403(b) plans may permit you to access your money by means of a loan. Check your plan provisions for additional details.

May I exchange 403(b) money between investment providers?

While employed, you may be able to exchange your 403(b) money to a different provider. Consult your agent, advisor, or investment provider provider for additional information and be sure you understand any penalties that may apply. Only providers which are exchange-eligible for your plan may accept exchanges. Check your employer's page within this site for a list of exchange eligible providers.

You will need to complete your provider's exchange paperwork in addition to the Exchange Authorization Form (found our your employer's forms page).

How much money may I defer into a 403(b) plan each year?

In 2013, the base deferral limit is \$17,500. If you will have attained age 50 by the end of the calendar year, you may be able to contribute \$5,500 more to a 403(b) plan than the 2013 base limitation of \$17,500. If you qualify for the catch-up, you may be able to contribute up to \$23,000 in 2013. The Maximum Allowable Contribution Worksheet (MAC) will help you determine your personal limit. The MAC can be found on your employer's forms page.

How do the IRS' new 403(b) regulations affect me?

On July 23, 2007 the Internal Revenue Service (IRS) issued final comprehensive regulations governing 403(b) plans for the first time in 43 years. The general effective date of the regulations is January 1, 2009—although the effective date of some portions of the regulations is sooner. Please visit the [New 403\(b\) Regulations](#) page for additional details.

What are “Exchange Eligible” investment providers?

You may only exchange plan 403(b) assets to an investment provider that has established an information sharing agreement with the employer or NBS. Investment providers that have established an information sharing agreement are classified “Exchange Eligible.” A current list of Exchange Eligible providers can be found on your employer's page within this website.

Exchanges to providers that are not Exchange Eligible may result in tax consequences.

What authorization is required for me to perform a distribution, rollover, loan, hardship or exchange?

In the past, transactions such as distributions, rollovers, hardship withdrawals, loans, and exchanges were generally accomplished through your investment provider without any involvement of your employer. However, the IRS' new 403(b) regulations now require the employer and your investment provider to share certain information and to coordinate when performing these transactions. A transaction authorization process will be utilized in order to facilitate necessary coordination and information sharing. If you wish to perform a distribution, rollover, hardship withdrawal, loans, or exchange; your investment provider must receive authorization from your employer's third party administrator, NBS. Authorization is obtained through submission of an Authorization Form (available on your employer's forms page). Please note that in addition to the Authorization Form, your investment provider will likely still require submission of its own paperwork. Contact your investment provider for additional information.