



North East Independent School District Tax Sheltered Accounts

Eligibility For Tax Sheltered Annuities

All full and part time employees are eligible to establish a salary reduction agreement for the purchase of annuities or other investments as authorized in Section **403(b)** (*annuities*) and **403(b)(7)** (*mutual funds*), of the Internal Revenue Code. See IRS Publication 571 for more information. These annuities/investments provide an opportunity for employees to accumulate individual retirement funds on a tax deferred basis.

Enrollment

Employees may enroll in a tax sheltered annuity program at any time during the year. Employees who wish to enroll in the employer's Supplemental 403(b) Retirement Plan must first select the provider and investment product best suited for their 403(b) account. **A current list of authorized 403(b) investment providers and current employer forms are available on the district's specific Web page at <https://www.tsacg.com>.** Participants must also complete a "Salary Reduction Agreement" (SRA) form and any disclosure forms necessary, which authorizes the employer to withhold 403(b) contributions from their pay and send those funds to the investment provider on their behalf. Salary Reduction Agreement forms must be sent to TSA by the fifth day of the month prior to when the deduction is to start. Employees interested in participating in a tax sheltered annuity program will need to contact TSA for the necessary forms. These forms are also available on the TSA web site at www.tsacg.com.

TSA Consulting Group, Inc.

TSA Consulting Group, Inc. (TSA) is the third party administrator for the tax sheltered annuity program. TSA performs many services for the District and its employees in relation to the tax sheltered annuity program.

TSA provides investment companies and agents the necessary forms for participants, collects and screens salary reduction agreements, reviews the Maximum Amount Contributable (MAC) form for each participant, and processes the individual company billing statements.

Liaison for Employees

Employees of the District can contact TSA regarding problems and questions with their annuity. TSA is not an investment counselor and does not sell annuities. Thus they cannot help an employee select a product or an agent. TSA is available to answer specific questions regarding administration of the employee's tax sheltered annuity plan, product questionnaires, annuity statement, etc.

Maximum Allowable Amounts

There are regulations regarding the amount that you are allowed to contribute to your tax sheltered annuity. Your agent should be able to assist you in determining the proper amounts or you may contact the administrator - TSA Consulting Group, Inc.

For more information or to submit completed forms, contact:

TSA Consulting Group, Inc.

Attn: Recordkeeping Dept.

15 Yacht Club Drive NE

Fort Walton Beach, FL 32548

1 (888) 796-3786

Fax: 1 (866) 741-0645

email: recordkeeping@tsacg.com

website: www.tsacg.com

North East Independent School District Tax Deferred Compensation

The Economic Growth and Tax Relief Act of 2001 allows employees of public schools or charitable organizations (if employers permit) to contribute to both a 403(b) and 457(b) plan and not have contributions to one offset the other. You can contribute the allowed maximum for each plan, giving an employee the opportunity to defer twice as much on a before-tax basis. Also, if you're age 50 or over, you can contribute more.

NEISD allows all eligible employees to participate in a 457(b) tax deferred compensation plan alone or in addition to a 403(b) tax sheltered annuity plan.

MetLife Resources

The District contracts with MetLife Resources as the agent and the third party administrator for the 457(b) tax deferred compensation plan. For more information or to submit completed forms, contact:

MetLife Resources
2745 N. Dallas Parkway, Suite 130
Plano, TX 75039
(800) 236-8489
www.metlife.esplans.com

IMPORTANT INFORMATION

<u>CONTRIBUTION LIMITS:</u>	457(b)	403(b) or 403(b)(7)
	2009	2009
Maximum Annual Deferred	\$16,500	\$16,500
Age 50 and Over Catch Up Provision	\$5,500	\$5,500

Retirement Savings Contribution Credit
(Use Form 8800 to figure the credit.)

For 2009, the adjusted gross income limitations have been changed to the following:

Married filing joint filers.....\$55,500
 Head of Household filers \$41,625
 Single, married filing separately, or qualifying widow(er) with dependent child filers.....\$27,500

(See IRS Publication 571 for more information.)

Terms to Know

- 403(b) An annuity contract, which is a contract provided through an insurance company.
- 403(b)(7) A custodial account, which is an account invested in mutual funds.
- 457(b) A deferred compensation plan.