SJC 403(b)/457(b) Retirement Program News

San Jacinto College (SJC) offers a variety of voluntary retirement programs 403 (b) and 457(b) for its employees. Student workers and private contractors are not eligible to participate. The IRS has issued new regulations regarding 403 (b) plans which significantly increase the administrative and reporting responsibilities of San Jacinto College.

In response to these requirements, SJC has selected the TSA Consulting Group, Inc. (TSACG) to facilitate the administration of these plans effective immediately. TSACG is a privately held Florida based corporation founded solely for the purpose of providing compliance administration services to 403 (b) eligible employers in public school systems and colleges. Currently TSACG has more than 1500 clients in the United States.

TSACG provides a variety of services to public education employees that relate to the administration of 403(b) and 457(b) retirement plans in compliance with guidelines established by the Internal Revenue Service. TSACG was founded in 1994 and its experience with public colleges and school systems in the 403(b) arena was one of the key factors in the selection process by the Texas Investment Provider Selection Committee (TIPSC) which SJC is a member. A few of the other member colleges are Alvin Community College, Alamo Community College, Brazosport Community College, College of the Mainland, Lee College, Dallas County Community College District, Houston Community College, and Temple Community College.

All enrollments and changes in either plan must be processed through the TSACG. If you wish to enroll in either plan you must first select a provider and investment product (s) authorized under the plan by SJC. Once you have established an account, you must complete a “Salary Reduction Agreement” (SRA) form for your 403(b), and/or a Deferred Compensation form for your 457 (b) plan. This form authorizes SJC to withhold contributions from your pay on a pre-tax basis and send the funds to your selected investment company on your behalf. The SRA form and/or a Deferred Compensation form is necessary to begin or restart contributions, change allocation between providers, change the total amount of contributions, or terminate contributions. The current list of authorized 403 (b) providers and current SJC forms are available for SJC at the TSACG web page. There is also an Information Online Video Presentation about SJC’s 403(b) Retirement Plan that you are encouraged to view. The video is short and is designed to help you better understand the Plan and how it can help you reach your retirement goals.
To access the TSACG-San Jacinto information go to https://www.tsacg.com and click on **District/COLLEGE** Pages. Go to **Employee Site** and select **Texas**. Go to **Texas Plan Sponsor** and select **San Jacinto College District**.

Participation in either plan is voluntary and should be based on your financial objectives and resources. TSACG and SJC are not liable for any loss that may result from your investment decisions. Therefore, you may want to consult a tax advisor or financial advisor before enrolling.

**Optional Retirement Program**

The Optional Retirement Program (ORP) is an individual 403(b) retirement plan funded by tax deferred contributions made by eligible employees and the state. Enrolling in ORP, in lieu of TRS, can only be done within 90 days of hire into an ORP eligible position and is an irreversible decision. You can only enroll with a SJC approved ORP Investment Provider. You can also find this list on the TSACG-SJC Web page.

Should you have any questions, please contact a Benefits Team member.
for 403(b) Plan and 457(b) Deferred Compensation Plan

The 403(b) and 457(b) Plans are valuable retirement savings options available through San Jacinto College, TX. This notice provides a brief explanation of the provisions, policies and rules that govern the 403(b) and 457(b) Plans.

Plan administration services for the 403(b) and 457(b) plans are provided by TSA Consulting Group, Inc. (TSACG). Visit the TSACG website (tsacg.com) for information about enrollment in the plan, investment product providers available, distributions, exchanges or transfers, 403(b) and/or 457(b) loans, and rollovers.

Eligibility
All employees are eligible to participate in the 403(b) and 457(b) plans immediately upon employment, however, private contractors, appointed/elected trustees and/or school board members and student workers are not eligible to participate in the 403(b) Plan. Employees may make voluntary elective deferrals to both the 403(b) and 457(b) plans. Participants are fully vested in their contributions and earnings at all times.

Employee Contributions
Upon enrollment, participants designate a portion of their salary that they wish to contribute to their traditional 403(b) and/or 457(b) account(s) up to their maximum annual contribution amount on a pre-tax basis, thus reducing the participant’s taxable income. Contributions to the participant’s 403(b) or 457(b) accounts are made from income paid through the employer’s payroll system. Taxes on contributions and any earnings are deferred until the participant withdraws their funds.

The Internal Revenue Service regulations limit the amount participants may contribute annually to tax-advantaged retirement plans and imposes substantial penalties for violating contribution limits. TSACG monitors 403(b) and 457(b) plan contributions and notifies the employer in the event of an excess contribution.

The 2014 Basic Contribution Limit for each plan is $17,500.

Additional provisions allowed:

The Service-Based Catch Up Amount
The 403(b) special catch-up provision allows participants to make additional contributions of up to $3,000 to the 403(b) account if, as of the preceding calendar year, the participant has completed 15 or more full years of employment with the current employer, not averaged over $5,000 per year in annual contributions, and has not utilized catch-up contributions in excess of the aggregate of $15,000. For a detailed explanation of this provision, please visit https://www.tsacg.com.

Age-Based Additional Amount
Participants who are age 50 or older any time during the year qualify to make an additional contribution of up to $5,500 to the 403(b) and/or 457(b) accounts.

Enrollment
Employees who wish to enroll in the 403(b) and/or 457(b) plan must first select the provider and investment product best suited for their account. Upon establishment of the account with the selected provider, a “Salary Reduction Agreement” (SRA) form and/or a deferred compensation enrollment form and any disclosure forms must be completed and submitted to the employer. These forms authorize the employer to withhold 403(b) and/or 457(b) contributions from the employee’s pay and send those funds to the Investment Provider on their behalf. A SRA form and/or a deferred compensation enrollment form must be completed to start, stop or modify contributions to a 403(b) and/or 457(b) accounts.

Please note: The total annual amount of a participant’s contributions must not exceed the Maximum Allowable Contribution (MAC) calculation. For convenience, a MAC calculator is available on the Internet at www.tsacg.com.
Investment Provider Information
A current list of authorized 403(b) and 457(b) Investment Providers and current employer forms are available on the employer’s specific Web page at www.tsagc.com.

Plan Distribution Transactions
Distribution transactions may include any of the following depending on the employer’s Plan Document: loans, transfers, rollovers, exchanges, hardships, unforeseen financial emergency withdrawals or distributions. Participants may request these distributions by completing the necessary forms obtained from the provider and plan administrator as required. All completed forms should be submitted to the plan administrator for processing.

403(b) and 457(b) Plan Loans
Participants may be eligible to borrow their 403(b) and/or 457(b) plan accumulations depending on the provisions of their 403(b) and/or 457(b) account contract and provisions of the employer plan. If loans are available, they are generally granted for a term of five years or less (general-purpose loans). Loans taken to purchase a principal residence can extend the term beyond five years depending on the provisions of their 403(b) and/or 457(b) account contract and provisions of the employer. Details and terms of the loan are established by the provider. Participants must repay their loans through monthly payments as directed by the provider. Prior to taking a loan, participants should consult a tax advisor.

Plan-to-plan Transfers
A plan-to-plan transfer is defined as the movement of a 403(b) and/or 457(b) account from a previous plan sponsor’s plan and retaining the same account with the authorized investment provider under the new plan sponsor’s plan.

Rollovers
Participants may move funds from one qualified plan account, i.e. 403(b) account, 401(k) account or an IRA, to another qualified plan account at age 59½ or when separated from service. Rollovers do not create a taxable event.

Distributions
Retirement plan distributions are restricted by IRS regulations. A participant may not take a distribution of 403(b) plan accumulations without penalty unless they have attained age 59½ or separated from service in the year in which they turn 55 or older. Generally, a distribution cannot be made from a 457(b) account until you have a severance from employment, reach age 70½, or are deceased. In most cases, any withdrawals made from a 403(b) or 457(b) account are taxable in full as ordinary income.

Exchanges
Within each plan, participants may exchange account accumulations from one investment provider to another investment provider that is authorized under the same plan; however, there may be limitations affecting exchanges, and participants should be aware of any charges or penalties that may exist in individual investment contracts prior to exchange. Exchanges can only be made from one 457(b) plan to another 457(b) plan, or from one 403(b) plan to another 403(b) plan.

Hardship Withdrawals
Participants may be able to take a hardship withdrawal in the event of an immediate and heavy financial need. According to IRS Safe Harbor regulations, to be eligible for a hardship withdrawal, a participant must have exhausted all other available financial resources. The eligibility requirements to receive a Hardship withdrawal are provided on the Hardship Withdrawal Disclosure form at www.tsagc.com. After receiving a hardship withdrawal, the participant may not make voluntary contributions to any employer sponsored retirement plan for a period of six months.

Unforeseen Financial Emergency Withdrawal
You may be able to take a withdrawal from your 457(b) account in the event of an unforeseen financial emergency. An unforeseeable emergency is defined as a severe financial hardship of the participant or beneficiary. The eligibility requirements to receive a Unforeseen Financial Emergency Withdrawal are provided on the Unforeseen Financial Emergency Withdrawal Disclosure form at www.tsagc.com.

Employee Information Statement
Participants in defined contribution plans are responsible for determining which, if any, investment vehicles best serve their retirement objectives. The 403(b) and 457(b) plan assets are invested solely in accordance with the participant’s instructions. The participant should periodically review whether his/her objectives are being met, and if the objectives have changed, the participant should make the appropriate changes. Careful planning with a tax advisor or financial planner may help to ensure that the supplemental retirement savings plan meets the participant’s objectives.
# Authorized Investment Providers

**San Jacinto College**

Authorized Investment Providers of 403(b)/403(b)(7) Accounts, 457(b) Accounts and Optional Retirement Plans

<table>
<thead>
<tr>
<th>Companies</th>
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<tbody>
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<td>1-800-345-3533</td>
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<td>ASPire Financial Services</td>
<td>1-866-634-5873</td>
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<tr>
<td>AXA Equitable Life Insurance Company</td>
<td>1-800-777-6510</td>
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<tr>
<td>Fidelity Investments</td>
<td>1-800-343-0860</td>
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<td>ING Life &amp; Annuity Insurance Company</td>
<td>1-888-422-3862</td>
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<td>MetLife Resources</td>
<td>1-800-560-5001</td>
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<td>Pentegra Retirement Services</td>
<td>1-800-433-4422</td>
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<tr>
<td>Reliastar Life Insurance Co.</td>
<td>1-800-873-5518</td>
</tr>
<tr>
<td>Security Benefit Group</td>
<td>1-800-888-2461</td>
</tr>
<tr>
<td>TIAA-CREF</td>
<td>1-800-842-2006</td>
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<td>VALIC</td>
<td>1-800-448-2542</td>
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**Authorized Investment Providers for the Optional Retirement Plan (ORP)**

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TIAA-CREF 1-800-842-2006

VALIC 1-800-448-2542

All Authorized Investment Providers listed have entered into information sharing agreements with the plan sponsor.

Board Policy and College administrative requirements allow companies which meet certain standards and maintain a minimum number of employee accounts to provide 403(b) TSA accounts to employees. The companies listed above are currently authorized under administrative guidelines to establish 403(b)/403(b)(7) accounts for the employees of San Jacinto College.

This list does not reflect any opinion as to the financial strength or quality of product or service for any company. Employees should contact a local representative to obtain specific information on plans available.