



SCHOOL DISTRICT OF WESTFIELD

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UNIVERSAL AVAILABILITY NOTICE 403(B) PLAN

This notice provides important information about your rights to defer compensation in the School District of Westfield's 403(b) Plan (the "Plan").

The Plan Administrator is: School District of Westfield, N7046 Cty Rd M, Westfield WI 53964 Phone number: 608-296-2141

Am I eligible to make elective deferrals?

You are eligible to make elective deferrals if you are employed by School District of Westfield or any affiliate who has adopted the Plan unless:

- the elective deferrals you make in a year would not exceed \$200
- you are a non-resident alien with no U.S. sourced income
- you are a student performing services for School District of Westfield and where you are pursuing a course of study with School District of Westfield

You can start making elective deferrals immediately upon your hire date.

What are elective deferrals?

Elective deferrals are contributions you may make out of your compensation to the Plan. You may contribute to the Plan on a pre-tax or after-tax basis.

Pre-Tax contributions are made to the Plan out of your compensation before taxes. Your contributions are only taxed as compensation once you receive a distribution from the Plan.

After-tax elective deferrals are known as Roth contributions. Roth contribution are made by you on an after-tax basis, but if certain requirements are met, a "qualified distribution" from your Roth contributions will not be taxed when you take them out of the Plan (see the Plan Description for more information). There are no income limitations on who may make a Roth Contribution.

Roth Contributions are made in the same manner as pre-tax elective deferrals. You must designate how much you would like to contribute on a pre-tax basis (normal 403(b) contribution) and how much you would like to contribute as an after-tax Roth Contribution. You are not required to make any Roth Contributions. You may designate all of your elective deferrals as pre-tax contributions.

The sum of your Roth contributions and pre-tax elective deferrals may not exceed the annual limit on regular 403(b) contributions.

Please note that Roth Contributions are not suitable for everyone. Please consult with your tax advisor before making any Roth Contributions to the Plan.

What are the limits on elective deferrals?

Federal law limits the amount you may elect to defer under this Plan and any other retirement plan permitting elective deferrals (including both other 403(b) and 401(k) plans). You are limited to contributing \$22,500 (for 2023) during any calendar year. Your Plan may further limit the amount of your elective deferral. Please see your Plan Description for further information.

If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution", of up to \$7,500 (for 2023).

The total amount that may be contributed to the Plan on your behalf in any year may not exceed the lesser of 100% of your compensation or \$66,000 (for 2023).

How do I make or change my deferral election?

You may make or change your deferral election by: Contact the plan sponsor for instruction.

Once I make a deferral election, how often can I change, stop, or re-start the election?

You may change or re-start your deferral election once each pay period. You may stop your deferrals at any time.

The plan administrator may establish additional rules you will need to follow when making your deferral election. Your deferral election is only effective for compensation you have not received yet. The plan administrator may also reduce or totally suspend your election if they determine that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

Can I direct how my elective deferrals will be invested?

Yes, you can direct how your elective deferrals will be invested from among the different investments offered under the Plan.

You may make or change your investment elections by: Contact the plan sponsor for instruction.

Subject to any additional restrictions placed on investment timing by the actual investment, you may change your investment elections daily.

If you do not make an investment election your account balances will be placed in investments selected by the plan administrator.

415 NOTICE **SCHOOL DISTRICT OF WESTFIELD 403(B) PLAN**

Aggregation of Maximum Contribution Limit When You Control Another Employer

Federal law limits the total amount that may be contributed on your behalf to this 403(b) plan and any other retirement plan. The contributions to other retirement plans may need to be aggregated with contributions to this 403(b) plan to verify the maximum annual limit is not exceeded. This notice informs you of your responsibility to provide information to the Plan Administrator regarding your control or ownership of other entities that maintains a plan in which you participate. **Failure to provide necessary and correct information to the Plan Administrator could result in adverse tax consequences for you.**

Contributions to this 403(b) plan will be aggregated with one or more defined contribution plans if you are deemed to control the employer sponsoring such plans. For aggregation purposes, you are deemed to control a for-profit employer if you own more than 50% (including attribution from others) of its:

- Shares,
- Capital interests,
- Profit interests, or
- Membership interests.

You are deemed to control a tax exempt organization if you have control over its directors or trustees. A defined contribution plan includes:

- Plan qualified under Code section 401(a) or 403(a) (e.g., 401(k) plan),
- Code section 403(b) plan, and
- Simplified Employee Pension (SEP) within the meaning of Code section 408(k).

For illustration purposes, suppose you own a separate business which adopts a 401(k) plan. For 2020, you elect to defer up to the maximum 403(b) dollar amount of \$19,500 and make a catch-up contribution of \$6,500. Your employer also made a non-elective employer contribution of \$37,500 to the 403(b) plan on your behalf. You would like to contribute \$15,000 to the 401(k) plan of your separate business for the 2020 year. Your compensation from your employer is \$100,000 and compensation from your separate business is \$60,000. The catch-up contribution is not counted toward the maximum annual limit. The total elective and non-elective contributions to the 403(b) plan are \$57,000 (\$37,500 + \$19,500) which equals the maximum annual limit for 2020. Therefore, any contributions to your 401(k) plan (e.g. \$15,000) would exceed the maximum annual limit on an aggregate basis. If you were to contribute \$15,000 or any amount to the 401(k) plan for the 2020 year, the amount would be considered an excess annual addition attributable to the 403(b) plan. **For this reason, it is critical you provide any control or ownership information for other entities to the 403(b) plan administrator.**

The plan administrator will coordinate with you to ensure satisfaction of the maximum annual limit for contributions to all retirement plans. Please contact the plan administrator to provide any pertinent information on control or ownership of other entities or to address any of your questions.