Newton County – Retirement Savings Plan 403(b)

Contributions
1) Employer contribution of 4.5% of salary for TRS.
2) Employer contribution of 6.5% of salary for PSERS.
3) Employee mandatory contribution of 0.5% of salary.
4) Employee voluntary contribution permitted ($18,500 or $24,500 if over age 49).

Withdrawal:
1) Employee Mandatory Contributions at retirement or termination.
2) Employee Voluntary Contributions at retirement, termination, or age 59 ½.
3) Employer Contributions at retirement or termination.

Vested:
100% at all times.

Investments:
The default is Portfolio Express.
Mutual Funds
Fixed account currently paying 2.45% interest.

Active Employee
1) If over age 59½ can withdraw employee voluntary contributions only.
2) Employee can use funds (from employer or employee) to purchase service credits from TRS.
   The funds withdrawn come from employee contributions first, but employer contributions can then be used if necessary.

Hardship Withdrawal
Only voluntary contributions are available for a hardship and then only if you qualify.

Loan—Active Employee
Only voluntary contributions are available for a loan and then only if you qualify.

Roth Contribution and Rules Summary
1) Qualified Distributions (contributions and earnings) from a Roth account are not subject to income taxes when withdrawn.
2) For a Roth distribution to be a qualified distribution one of the following must apply:
   a. Made after 5 years of participation and over age 59 ½.
   b. Made after death.
   c. Made due to disability.
3) Roth contributions are after tax. The employee’s taxable income is not reduced for amounts contributed.
4) Roth contributions can only be made with voluntary contributions.
5) Whether the Roth or Pre-tax contribution is better depends on:
   a. Your individual situation.
   b. Your current tax bracket.
   c. Your future tax bracket.
6) Mandatory employee contributions continue into the pre-tax account.

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