

BURLINGTON SCHOOL DEPARTMENT 403(b) Plan
Provisions Summary

Provisions effective January 1, 2009

Eligible Employees:

- All employees except those who normally work less than twenty (20) hours per week.

Participation Date:

- For employee pre-tax salary deferral contributions: date of hire

Employee Salary Deferral Contributions:

- Contributions are made with pre-tax compensation through payroll deduction; maximum dollar amount may not exceed the amount indicated below.
 - up to \$16,500 for 2009 (plus an additional \$5,500 for a total of \$22,000 if age 50 or older by year-end)
 - may stop deferrals or change your deferral amount on any pay period (a request for change must be in writing and received by the payroll administrator at least seven days prior to the effective date of the change)

Rollover Contributions: amounts which participants received from a prior employer's plan (including 401(k), profit sharing, 403(b), money purchase, and defined benefit plans) may be rolled over tax-free to this plan.

Vesting: - all contributions and earnings are 100% vested immediately

Hardship Withdrawals: permitted from cumulative salary deferrals (not the earnings) for purchase of principal residence (part of the down payment), payment of medical expenses, prevention of foreclosure or eviction, college expenses, catastrophic loss to your home, or funeral expenses. Employee must cease contributions to the plan for 6 months following a withdrawal. Hardship withdrawals are taxed as regular income plus a 10% excise tax penalty if you withdraw the money before age 59½.

Benefit Payments:

- Timing: as soon as reasonable following the participant's termination of employment
- Form: any options available under the investment contract(s) you have selected

Questions: Contact Michael Gilbar at the Superintendent's office for additional information or if you need the Salary Deferral Election Forms and supporting materials.

phone: (802) 864-8495 **e-mail:** mgilbar@bsdvt.org

BURLINGTON SCHOOL DEPARTMENT 403(B) PLAN

SALARY REDUCTION AGREEMENT

Account Information

Name _____

Address _____

City _____ State _____ Zip _____

Check one: New Agreement Change No Change

Salary reduction/deferral amount. This Agreement is effective immediately upon acceptance by the Plan Administrator, and I may modify the Agreement at any time. I authorize the Employer to withhold from my Compensation (and treat as my deferrals) the following amount:

- Currently enrolled in a Salary Reduction Agreement and I am electing to not change my current payroll deduction amount.
- \$ _____, per payroll.
- Zero.** I hereby elect not to participate or to terminate my prior Salary Reduction Agreement.

Compensation to which Agreement applies. This election applies to all Compensation.

Duty to review pay records. I understand I have a duty to review my pay records (pay stub, etc.) to confirm the Employer properly has implemented my salary reduction election. Furthermore, I have a duty to inform the Plan Administrator if I discover any discrepancy between my pay records and this Salary Reduction Agreement. I understand the Plan Administrator will treat my failure to report any withholding errors for any payroll to which my Salary Reduction Agreement applies, by the cut-off date for the next following payroll, as my affirmative election to defer the amount actually withheld (including zero). However, I thereafter may modify my deferral election prospectively, consistent with the Plan terms.

Authorization

X

Signature of Employee Date

Signature of Representative of Plan Administrator Date
Michael Gilbar, Business Manager

PLEASE RETURN THIS FORM TO THE PLAN ADMINISTRATOR

**Burlington School District
Burlington, Vermont**

Enrollment Procedures and Additional Information For Completing 403(b)(7) TSA Documents

The Burlington School District makes available to all employees eligible to participate, the availability of Tax Sheltered Annuity Plans for the benefit of its employees. It is intended that the plan comply with the requirements of and qualify under Section 403(b)(7) of the Internal Revenue Code. It is not the purpose of the District, by providing access to the plans listed, to recommend its use by any individual employee. The fact that a particular contract or custodial account may be available from a TSA provider, does not constitute an endorsement, recommendation, or approval of any kind.

General Information:

Each employee of the district is given an opportunity to participate in a 403(b)(7) TSA Plan by entering into a Employee 403(b)(7) Custodial Account Salary Reduction Agreement except as limited below:

- (a) Employees whose salary reduction would not exceed \$200 per year.
- (b) Employees who normally work less than 20 hours per week.

Enrollment Procedures:

To establish a 403(b)(7) TSA as a new participant, or make a change to an existing 403(b) TSA as a current participant, employees must follow the process below and submit the completed forms to the school district payroll officer in the district business office, telephone number 864-8458.

- 1) choose your 403(b)(7) TSA provider from the District's Provider List; and
- 2) establish an account with this provider, and
- 3) thoroughly complete the Employee 403(b)7 Custodial Account Salary Reduction Agreement and forward to the school district payroll officer.

TERMINATE (STOP) YOUR SALARY REDUCTION AGREEMENT:

A written request must be submitted to the Payroll Officer in the Business Office at 150 Colchester Avenue, Burlington, VT 05401, Telephone #: 864-8458.

Completing Employee 403(b)(7) Custodial Account Salary Reduction Agreement:

A Salary Reduction Agreement must be entered into and district approved in advance of payment of any salary to be reduced.

ADDITIONAL INFORMATION:

According to the current 403(b)(7) plan as described in Section 402(g) of the Internal Revenue Service Code, employees can contribute up to the lesser of \$16,500 or 100% of gross annual salary per year for calendar year 2009. In addition, if they are age 50 or over in calendar year 2009, they can contribute an additional \$5,500 for a potential total amount of \$22,000.

403(b) VENDOR INFORMATION

Vendor (company) Name

- 1 ING Financial Advisers LLC (Attn: Sanna E. Finigan)
One Heritage Drive, 5th Fl North
N. Quincy, MA 02171
(617) 376-7306
www.ing.com
- 2 American Funds Service Company
P.O. Box 2280
Norfolk, VA 23501-2280
(800) 421-0180
www.americanfunds.com
- 3 American General Life Insurance Group (AIG)
P.O. Box 4373
Houston, TX 77210
(800) 231-3655
www.americangeneral.com
- 4 Ameriprise Financial
1262 Ameriprise Financial Ctr
Minneapolis, MN 55474
(800) 862-7919
www.ameriprise.com
- 5 Fidelity Investments
P.O. Box 770002
Cincinnati, Ohio 45277-0089
(800) 868-1023
www.fidelity.com

- 6 Great American Life Insurance Co. GALIC
525 Vine St., PO Box 5420
Cincinnati, Ohio 45201
(800) 695-1471
www.GAFRI.com

- 7 Horace Mann
1 Horace Mann Plaza, P.O. Box 4657
Springfield, IL 62708-4657
(866) 999-1945
www.horacemann.com

- 8 Metropolitan Life Insurance Company
400 Atrium Dr.
Somerset, NJ 08873-4172
(800) 638-5433
www.metlife.com

- Life Insurance Co. of the Southwest (LSW)
- 9 Member of National Life
One National Life Drive
Montpelier, VT 05604
(800) 732-8939
www.lifeofswsouthwest.com

- 10 New York Life Insurance & Annuity Corp.
463 Mountain View Dr.
Colchester, VT 05446
(802) 654-1121
www.newyorklife.com

- 11 Putnam Investments
P.O. Box 8383
Boston, MA 02266-8383
(866) 207-7262
www.putnaminv.com

- 12 Security Benefit (NEA ValuBuilder)
P.O. Box 750497
Topeka, KS 66675-0560
(888) 724-7526
www.securitybenefit.com

- 13 T. Rowe Price
P.O.Box 17479
Baltimore, MD 21297-1479
(800) 492-7670
www.troweprice.com

14 The Vanguard Group
P.O. Box 1106
Valley Forge, PA 19482-1106
(800) 662-2003
www.vanguard.com

15 Variable Annuity Life Insurance VALIC (AIG)
P.O. Box 15648
Amarillo, TX 79105
(888) 478-7020

16 Great – West Retirement Services
100 State Street, Suite 346
Montpelier, VT 05602
(802) 229-2391
(800) 338-4015
www.gwrs.com

Note: Great-West Retirement Services is listed with the Vermont Teachers Retirement System

Applicable IRC 402(g) Salary Deferral Limit & Age 50 Catch-up Table		
Tax Year	Column A IRC 402(g) limit	Column B Age 50 or Older Catch-up
1996	\$9,500	\$0
1997	\$9,500	\$0
1998	\$10,000	\$0
1999	\$10,000	\$0
2000	\$10,500	\$0
2001	\$10,500	\$0
2002	\$11,000	\$1,000
2003	\$12,000	\$2,000
2004	\$13,000	\$3,000
2005	\$14,000	\$4,000
2006	\$15,000	\$5,000
2007	\$15,500	\$5,000
2008	\$15,500	\$5,000
2009	\$16,500	\$5,500
2010	\$16,500	\$5,500