

Notice of Eligibility for 403(b) Plan Salary Deferral

The Windham Central Supervisory Union Plan offers all employees the opportunity to participate in a pre-tax salary deferral 403(b) arrangement (also known as a tax-deferred annuity or tax-sheltered annuity).

In order to participate, you will need to select an Approved Investment Provider for investment of your salary deferral contributions. The Supervisory Union/School Districts currently remits contributions by its employees to the firms which are itemized on the attached list. If you would like to establish a 403(b) arrangement, you will need to contact one of the investment firms on that list and then complete the Salary Deferral Election Form on Page 3 and 4 of this memorandum.

There are several things you should know about this arrangement -about our role and about your responsibilities.

Our role: is to withhold your elected amount of salary from your paycheck each payroll and to remit it as soon as possible following payroll to the investment fund you select.

Your role: is to select the investment funds which you wish to utilize, without any influence from us. Only certain types of investments are allowed as 403(b) investments; these are, generally, non-transferable annuities and mutual funds.

If you elect to contribute an amount which exceeds the basic contribution limit by law for the year (i.e., if you wish to utilize the "Age 50 or older catch-up" contribution), it is your responsibility to determine the amount of catch-up for which you are eligible.

You should monitor your account to ensure that salary deferral amounts are received and credited to your account.

If you participate in a 403(b) arrangement through the Windham Central Supervisory Union Plan and another employer's 403(b) or 401(k) plan, it is your responsibility to ensure that your contributions do not exceed the maximum contribution limitations for the year. You have until April 1 following the end of the year to notify us if your deferrals exceed the legal limit for the year.

Any withdrawals from your 403(b) account are subject to the terms of our Plan Document and must be approved by the Supervisory Union. Contact Kathy Velsor, at the Supervisory Union for additional information and or approvals.

Phone: (802) 365-9510, x 108 E-mail: kvelsor@wcsu46.org

Your Election Not to Participate: whether or not you elect to participate in a salary deferral contribution, we ask that you acknowledge your receipt of this information by completing the information on Page 3 & 4 and returning those pages. (This is Mandatory) Leland & Gray UHS employees should return the documents to the LGUHS Payroll office, Attention: Carolyn Jenness. All other School District employees should return the documents to the Supervisory Union, Attention:

Mail: Kathy Velsor, 1219 Vermont Route 30, Townshend, VT 05353

Changing Your Election: You may stop or change the amount of your salary deferral any time by providing advance written notice to the payroll department.

403(b) Arrangement Approved Investment Providers Approved Investment Providers are limited to the following:

AIG-VALIC – www.aigretirement.com

(603) 594-8340 Greg Libutti Regional Office
(800) 448-2542 Client Care (existing account)
(800) 426-3753 Expertise (new account)

MUTUAL OF AMERICA – www.mutualofamerica.com

(508) 366-2418 Regional Office

TIAA-CREF – www.tiaa-cref.com (Leland and Gray ONLY)

(800) 842-2888 Enrollment Hotline
(800) 842-2776 General Questions

VANGUARD – www.vanguard.com

(800) 662-2003

Acknowledgement of Eligibility and Salary Deferral Election Form 403(b) Salary Reduction Agreement

To authorize or change salary reduction contributions to your 403b account complete this form and submit as follows: Leland Gray Union High School employees submit to business office Attn: Carolyn Jenness. All other WCSU/School District employees submit to the WCSU business office Attn: Kathy Velsor.

ALL EMPLOYEES MUST COMPLETE THIS FORM WHETHER OR NOT YOU ELECT TO PARTICIPATE

Section 1. Employee Information:

Employee Name: _____
(Print Name)

Social Security Number: _____

A. I elect to participate in the Windham Central Supervisory Union 403(b) Plan effective _____, please complete Sections 2 and 3 below.

B. I elect NOT to participate in the Windham Central Supervisory Union 403(b) Plan effective _____, please complete only Section 3 below.

Section 2. Contribution Information:

My 403(b) account is held with: _____

I have completed an enrollment form with the vendor selected from the list of Approved Investment Providers offered under this Plan. Please reduce the salary I receive by the following amount each pay period and contribute that amount to my 403(b) account: _____ (% or \$ amount)

Regular 403(b) deferrals (pre-tax). All of my deferrals as Regular 403(b) deferrals. I understand the amount of deferrals I have elected in this Salary Reduction Agreement will reduce my current compensation which is includible in income for the taxable year of the deferral.

Roth 403(b) deferrals (after-tax). All of my deferrals as Roth 403(b) deferrals. I understand the amount of deferrals I have elected in this Salary Reduction Agreement will NOT reduce my current compensation which is includible in income and that my deferrals will be includible in income for the taxable year of the deferral.

Split deferral election. A portion of my deferrals as Regular 403(b) deferrals and a portion of my deferrals as Roth 403(b) deferrals, as follows (if you check the "Split deferral election" box, check 1 and only 1 of the 2 boxes below, and complete both blank lines under the checked box):

_____% of my compensation as Regular 403(b) deferrals, AND _____% of my compensation as Roth 403(b) deferrals.

OR

\$_____ as Regular 403(b) deferrals, AND \$_____ as Roth 403(b) deferrals.

Section 3. Signature – All employees must sign below

As the employee, I understand that:

- This Agreement will take effect with the next payroll following receipt of this Agreement (a minimum of 7 business days prior to the next pay date);
- This Agreement will be renewed automatically each January 1 unless my employer and I agree, in writing, to amend this Agreement;
- I can change or terminate this Agreement, in writing, at any time with respect to compensation I have not yet earned; and

Employee Signature

Date

Separate 403(b) Plan

[] I participate in a separate 403(b) Plan and have completed the information below

Name of Employer sponsoring the Plan: _____

Total amount of my annual (January 1 – December 31) salary deferral contributions to this separate 403(b) Plan: \$_____

My total salary deferrals between all 403(b) and 401(k) plans cannot exceed the annual limit: \$16,500 or \$22,000 (if age 50 or older) for 2009 (limit may increase in future years)

Employer Signature

Date