

Universal Availability Notice

First Financial Group of America

Act Now to Maximize Your 403(b) and 457(b) Contributions

In compliance with the requirements of IRC §403(b)(12)(A)(ii) this Notice will advise you of the voluntary 403(b) Program established and maintained for the benefit of all employees.

Now is the time to act if you wish to maximize your pre-tax contributions to the 403(b) and 457(b) Plans or make changes for this calendar (taxable) year.

Go to www.ffga.com to view your employers' retirement plan options and availability. You can also verify if the plan offers both 403(b) and 457(b) Plans before you decide how to proceed.

Eligibility - All employees who are employed by the Employer, including full and part-time employees.

Contributions - When you enroll in the program, the amounts you designate as salary deferrals are withheld from your wages and forwarded to an investment provider of your choice. Several types of contributions may be available in your plan:

Pre-Tax Salary Deferrals: These are amounts contributed into a 403(b) Plan that are deferred from your paycheck before federal income taxes are applied.

Roth Salary Deferrals: (If your plan allows) These amounts are also deferred from your paycheck, but are subject to federal income taxes. When you withdraw monies from a Roth plan the funds may be excluded from taxation. Special rules apply to Roth contributions and you should contact your tax advisor before electing this option.

For **2015**, you may defer from your wages, a maximum of \$18,000 to all 403(b) and 457(b) plans unless you will reach 50 years of age during the year. In that case, you would be eligible to contribute an additional \$6,000. Deferrals may not exceed 100% of your wages.

Rollovers: (If your plan allows) You may also rollover funds from another employer's plan if you receive an eligible rollover distribution.

Plan Investment Options - Your contributions to the 403(b) Plan must be made to an investment provider approved by your Employer. Before enrolling in the plan, you must first establish an account with one of the Providers listed. Once you have executed an investment contract and established an account, you can begin making contributions.

Assistance - You may enroll in the plan or receive assistance with these provisions by contacting the plan's Third Party Administrator, First Financial Administrator, Inc. or a representative for one of the plan's Investment Companies listed on www.ffga.com.

Additional information about the provisions and options in your plan are available by contacting First Financial Administrators at (800) 523-8422 or from the plan's web site, www.ffga.com.

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The following are some guidelines to assist you with your decisions. Note that any changes you make now will continue in 2015 forward, so don't forget to readjust your contributions once 2016 begins, if that is what you wish to do.

403(b) Retirement Plan

The tax structure of a 403(b) is similar to 401k. As you make contributions through your salary, on a pre-tax basis, they attract interest. It is when you start receiving monthly payments from the plan on maturity that you are required to pay taxes, just like any other ordinary income. This is why 403(b) is also known as Tax Sheltered Annuity (TSA). This plan is popular among non-profit organizations, and employers opt for it, as it is exempt from Employer Retirement Income Security Act which allows the employer to offer this plan to all employees.

457(b) Retirement Plan

A 457(b) is a retirement benefit plan that is open for mostly government sector employees. The employer may offer this plan which is also similar to a 401k. The contributions made by an employee are exempt from tax until the employee receives a benefit from the plan, this is also known as a tax deferred plan. But unlike 401k or 403b, there is no penalty for withdrawal before the age of 59 ½ (subject to a qualifying event under 457(b) provisions). However, the amount withdrawn is subject to ordinary taxation. This plan allows employees to save a part of their income without paying tax on contributions, or the earnings that accrue in the form of interest, until funds are distributed from the plan based on a qualifying event.

Difference between 403(b) and 457(b)

Both are tax deferred plans.

In 457(b), there is no minimum retirement age which means there is not a 10% penalty upon withdrawal of money based on a qualifying event. An early withdrawal penalty does apply to both 403(b) and 401k plans.

What is notable is that if an employer offers both 457(b) and 403(b), an employee can choose to contribute to both from his salary.

While under 403(b), an employee can withdraw money for hardship circumstances such as buying a home or for the education of himself or a qualified dependent. Such withdrawals are not allowed under the unforeseen emergency provisions of a 457(b) plan.

Questions? Contact First Financial at
(800) 523-8422 or visit us at www.ffga.com.

