

403(b) Compliance Deadline Drawing Near

School districts across the country are feeling the pressure of a January 1, 2009 IRS compliance deadline for their 403(b) plans. IRS regulation changes are forcing school districts to take more responsibility for plan recordkeeping and monitoring individual accounts for compliance to plan rules.

These changes will impact NEA members and other school employees who participate in 403(b) supplemental retirement savings plans. Due to the changes, some investment providers are exiting the 403(b) market leaving participants looking for a new investment provider. In other cases, school districts are reducing the number of approved providers. Again, this may mean participants will have to find another provider.

Finding help

School districts that wait to find a compliance service to help them with this transition may find it soon will be too late. Districts should be acting now to select a third party administrator to help them with their new 403(b) plan compliance requirements. Or they should be putting in place now the procedures needed to handle the compliance requirements on their own. Setting up a compliance program takes time, and to meet the January 1, 2009 deadline, districts cannot afford to wait.

Security Benefit, provider of the NEA Valuebuilder[®] Program, offers a competitively-priced compliance service called 403(b) PlanSolutionsSM. The service offers independent third party administration and common remitting, and does not require districts to limit the number of providers in their plan.

What can NEA members do?

Local association leaders and individual NEA members can help by checking with school district business officials to make sure they have plans to meet the IRS compliance deadline. Members should also inquire to be certain that programs in which members may participate, such as the NEA Valuebuilder Program, will still be available as an option for members in their district after January 1, 2009.

Districts that are still looking for a compliance service should contact Security Benefit immediately to discuss using 403(b) PlanSolutions. Members can refer district business officials to their NEA Member Benefits regional representative or Security Benefit may be contacted directly at 1-800-747-5164, option 4.

You should carefully consider the investment objectives, risks, and charges and expenses of the mutual funds and variable annuities available under the NEA Valuebuilder Program before investing. You may obtain a prospectus that contains this and other information about the mutual funds and variable annuities by calling our National Service Center at 1-800-NEA-VALU (632-8258). You should read the prospectus carefully before investing. Investing in variable annuities and mutual funds involves risk and there is no guarantee of investment results.

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Annuities are long-term investments suitable for retirement.

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