



**Mulvane USD 263  
Employer Matching 403b Plan**



**Frequently Asked Questions for the Matching Plan**

**Q1: What is the Mulvane USD 263 Employer Matching Contribution Plan?**

**A:** It is a 403(b) plan funded by the district on behalf of the eligible participants to prepare for retirement.

**Q2: Who is eligible to participate in the Mulvane USD 263 Retirement Plan?**

**A:** An employee of Mulvane USD 263 is eligible if he or she is employed as an administrator or a certified teacher or special services employee working .5 FTE or more.

**Q3: How is my Employer Paid Account established?**

**A:** An OFG Financial Representative will meet with all eligible participants. You will receive paperwork to complete in advance to establish your new Employer Paid Account with Security Benefit. A Salary Reduction Form will authorize payroll to deduct your voluntary contributions. Each participant can select his or her investment options or target portfolios. A default portfolio based on their target date for retirement will automatically be selected for participants who do not elect an investment option (information on the T. Rowe Price Target Date portfolios is available in the enrollment booklet).

**Q4: How can I make changes to my current investment allocation?**

**A:** You may make changes (or check the value of your account) at any time via the Internet, Voice Response Line, or by calling your local Plan Advisor. These numbers and websites are provided in the enrollment book.

**Q5: How much does the school district contribute into my Employer Paid Account?**

**A:** Mulvane USD 263 will match up to \$50 monthly per the negotiated agreement. Employee contributions are required to receive the matching funds up to \$50 monthly.

- No contribution will be made for certified or specialized staff working less than .5 FTE.
- Contributions will be prorated for participants who work less than full time.
- All contributions paid into an employee’s Employer Paid Account are subject to a Vesting Schedule.

**Q6: What is “Vesting”?**

**A:** Vesting is the non-forfeitable right to receive a benefit. The **Vested Percentage** of your Employer Paid Account is the percent of the total amount in the account that you would have access to upon termination from Mulvane USD 263. The Vesting Schedule listed below is used to determine the **vested percentage** in an employee’s Employer Paid Account upon termination of employment. Previous consecutive years of service completed with the district will be counted towards the vesting schedule. *Contributions made by the employee are always 100% vested.*

**Vesting Schedule**

Years of Service	Vested Percentage
0-5	0%
6	10%
7	20%
8	30%
9	40%
10	50%
11	60%
12	70%
13	80%
14	90%
15	100%

**Q7: Can I make additional voluntary salary deferral contributions into the Mulvane USD 263 Retirement Plan?**

**A:** You may voluntarily contribute, on a pre-tax basis, into your Employer Paid Account or into another USD 263 approved 403(b) investment provider. Pre-tax contributions are deducted before you pay current income taxes. Pre-tax investments grow tax-deferred and are taxed only when you take a distribution from the plan.

- You can contribute up to 100% of your compensation on a pre-tax basis as allowed under the Internal Revenue Code (\$18,000 in 2016).
- If you are age 50 or older you can contribute a Catch Up contribution of up to \$6,000 (2016).
- You are 100% vested in your contributions. This means the value of your contributions and earnings are yours when you leave the company, regardless of your years of service.

**Q8: How often will I receive account statements?**

**A:** Each participant will receive statements quarterly. All statements will be mailed to the participant's home address. Online access will also be available for all participants to view or make changes to their accounts.

**Q9: If I contribute voluntary salary deferral money into my Security Benefit Employer Paid Account, how will I know how much voluntary money I have?**

**A:** Separate records will be kept according to the contributions types. Your employer paid funds will be designated by **ER** and your employee contributions will be designated by **EE** on your statements.

**Q10: What happens to the money in my Employer Paid Account if I leave Mulvane USD 263?**

**A:** You may wish to visit with the OFG Financial Services representative regarding the vested amount in the Employer Paid Account. Your options include leaving the money for some period of time, transferring into another qualified plan, or having the account balance dispersed in accordance with IRS regulations. If you choose to move any portion of your vested amount out of the Mulvane USD 263 Retirement Plan, and are later rehired by Mulvane USD 263, your previous years of service will not be considered for vesting purposes.

**Q11: Will I have to pay taxes on the money when I take it out?**

**A:** You may choose to continue deferring taxes on your vested amount by leaving it in the Employer Paid Account or by rolling it to an IRA or another qualified plan. Cash distributions from the plan will be subject to income tax. Certain IRS penalties may also apply if the participant is not at least 59 ½ years of age. (Exceptions may apply if the participant is age 55 and separates from service.) *Contact your tax advisor for details concerning the taxability of distributions from qualified accounts.*

**Q12: Can I take distributions from my Employer Paid contributions prior to terminating my employment with Mulvane USD 263?**

**A:** No. Distributions are available only upon termination of employment, according to the vesting schedule.

**Q13: What fees will I pay?**

**A:** Account Fee: An account fee for distribution, recordkeeping and administration will be charged in the annual amount of 1.0% of assets held in each Participant's account. This unitized fee will be deducted pro rata on a daily basis from the account. Participant Fee: A \$20 annual fee will be charged to accounts less than \$25,000. Any account over \$25,000 will not be charged a fee.

---

Local Plan Advisor:  
Leasha Rutschman, Registered Representative  
OFG Financial Services, Inc.  
(316) 461-5063 LeashaRutschman@ofgfinancial.com

Securities offered by OFG Financial Services Inc., Topeka Kansas, (785) 233-4071

