

Sample Employee Memorandum on Participating Investment Providers

Date:

To: *(Insert School Name)* Employees

From: Business Manager, _____ Supervisory Union

Subject: 403(b) Plan Participating Investment Providers as of _____ [insert compliance date]

In response to new regulations governing the administration of 403(b) plans, the district is nearing completion on implementing the steps necessary to adhere to the regulations and will begin operating under the new program on ***(insert compliance date)***. The district has hired _____ **(Name of TPA)** to monitor all 403(b) Plan activity to make sure contributions are within the legal limits, rollovers and transfers are done as mandated by the new regulations, withdrawals follow IRS regulations, loan and loan repayments are properly administered, hardship distributions are monitored under the Plan, etc. These services will begin on ***(insert compliance start date)***.

The following is a list of those providers who have agreed to continue to participate in the District's 403(b) Plan in strict conformance with IRS regulations. Effective ***(insert compliance start date)***, these are the only providers who may receive salary reduction contributions or exchanges under the District's Plan.

- ***Investment Provider***
- ***Investment Provider***
- ***Investment Provider***
- ***Investment Provider***
- ***Investment Provider***
- ***Investment Provider***

If your current investment provider is on this list, you do not need to take any action at this time and your salary reduction contributions will continue to that provider. If your current investment provider is **NOT** on the list, it means that provider chose **NOT** to participate in the District's 403(b) Plan. Contributions to providers **NOT** on the participating list will cease on ***(insert compliance start date)***, and no additional salary reductions will be made from your paycheck until you establish a 403(b) account with a participating investment provider.

If you wish to select a new investment provider, please speak with _____ in the business office to learn how you can do so.

The changes implemented allow the district to maintain required compliance with IRS regulations, as well as put in place safeguards that ensure that all 403(b) accounts retain their tax-deferred status under the regulations.

If you have further questions please contact _____ in the business office.