THOMAS COUNTY SCHOOLS
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Thomas County Schools
Important Benefit Information Regarding Your 457(b) Deferred Compensation Plan

What is a 457(b) Deferred Compensation Plan?

A **457 plan** is a type of non-qualified tax advantaged deferred-compensation retirement plan that is available for governmental and certain non-governmental employers. The employer provides the plan and the employee defers compensation into it on a pre-tax basis and/or as a designated Roth after-tax contribution in order to save for your retirement. All contributions are made to the plan by payroll deduction.

Can I make contributions to the 457(b) Plan?

Yes. You have the right to make contributions to the 457(b) Plan. If you wish to start contributing to the Plan, you need to make an election and determine how much of your compensation you wish to defer in the 457(b) Plan. You need to complete the enrollment application for your Plan investment along with a Salary Reduction Agreement (SRA). These forms are available from the Plan's financial advisors. Their contact information can be found at the end of this Plan Summary.

What investment options are available to me under the Plan?

Empower Retirement is the authorized investment provider under the Plan which offers a wide variety of investment options. For additional information please contact the Plan's financial advisors. Their contact information can be found at the end of the Plan Summary.

Thomas County Schools does not provide tax, legal or investment advice. We strongly recommend that you seek the advice from professionals who specialize in these areas.

Can I change how my account is invested?

Yes you can, but there are rules that may limit some of your options. Generally, you can always change your investment instructions for future contributions so that new contributions will be sent to different investments with in the Plan. You also have the ability to reallocate funds among the investments you maintain through Empower. You should contact the Plan's financial advisor regarding reallocating or changing the investment of your future contributions.

Can I rollover other retirement plan accounts into the Plan? Can I rollover amounts out the Plan?

Your Employer's Plan permits rollover contributions into the Plan from any other eligible retirement plans. Rollovers: The Plan also permits rollovers out of the Plan to other eligible retirement plans; however, a rollover out is only permitted if you separate from service, die or become disabled.

Can I withdraw amounts from the Plan before I retire?

Since the primary purpose of the Plan is to provide you with a means to build retirement income for your post-employment years, you may generally not withdraw amounts from the Plan before your termination of employment, retirement or death, whichever occurs earliest. The Plan also permits in-service withdrawals at age 70 ½ subject to the terms and conditions of your annuity contracts and/or custodial accounts in which your funds are invested.

In addition, there may be certain circumstances that permit you to borrow from your account or make withdrawals while you are still employed.

The Plan permits you to withdraw amounts from your account only if you meet all of the special conditions of an unforeseeable emergency withdraw. However, the tax laws and government regulations impose certain limits on all unforeseeable emergency withdrawals. To qualify for an unforeseeable emergency withdrawal, you must demonstrate that you have a financial situation that is both unforeseen and an emergency. Here are several examples of possible qualifying events for an unforeseen emergency withdrawal:

- An illness or accident of the participant, the participant's beneficiary, or the participant's or beneficiary's spouse or dependents;
- property loss caused by casualty (for example, damage from a natural disaster not covered by homeowner's insurance) of the participant or beneficiary;
- funeral expenses of the participant's spouse or dependent; and
- Other similar extraordinary and unforeseeable circumstances resulting from events beyond the control of the participant or his or her beneficiary (for example, imminent foreclosure or eviction from a primary residence, or to pay for medical expenses or prescription drug medication).

The participant seeking the distribution must show that the emergency expenses could not otherwise be covered by insurance, liquidation of the participant's assets or cessation of deferrals under the plan.

To request an unforeseeable emergency withdraw, you must complete the appropriate paperwork from your Investment Provider and provide documented evidence of the hardship itself and that you have no other financial resources available to you. This information must be submitted to the plan's third party administrator, ADMIN Partners, for review and approval.

May I Borrow From the Plan?

Yes. The Plan allows you to borrow from your Plan account(s), but only if the Provider(s) in which your account is invested also permit loans to be made from their products. If you wish to take a loan, you may apply for a loan directly from the Provider in which your account is invested. All loans are subject to the terms and conditions imposed by the custodial account or annuity contract that governs the investment options that you have selected. You should ask your Provider for a loan application package, which should include relevant information about the process of obtaining a loan from the Vendor. However, government regulations require all loans under employer-sponsored 457(b) plans to be subject to the following rules:

- Your outstanding loan balance cannot exceed the lesser of $50,000 (reduced by the highest value of any outstanding loan balance from all loans from all plans sponsored by your Employer during the preceding twelve (12) month period, or 50% of your vested account balance under the Plan.
- The loan must be repaid over a period of no greater than five (5) years, unless the loan is used to purchase your primary residence. You must pledge your Plan account balance as collateral. Interest on a loan shall be charged at a rate equal to that which could be obtained from a lending institution for a similar loan.
- A participant who has an outstanding plan loan (whether from the Plan or any other plan maintained by the Employer or a related employer) that is in default, or is treated as a taxable deemed distribution may not receive another loan may not receive another loan unless: (a) the defaulted loan is repaid, or (b) a new participant loan is repaid by payroll deduction.
- Thomas County Board of Education allows participants in the 457(b) Plan to take two loans at any given time.

There are special rules for employees who are called away on military leave. If you miss loan repayments because you are on eligible military leave under USERRA, your loan will not be defaulted unless you do not make timely payments upon your return to employment. However, even though the loan payment may be suspended, interest will continue to accrue. Under the Service Members Civil Relief Act, the interest rate on Plan loans cannot exceed 6% per year during a period of military service provided that you give the Plan Administrator and the Provider(s) written notice of your call to duty and a copy of your military orders. You should contact the Plan Administrator for more details on your special rights under USERRA and SCRA under the Plan.

Notwithstanding the above, the Provider(s) in which your account is invested may have additional rules relating to loans. Review your custodial accounts and/or annuity contracts for more details on specific loan rules and contact the Provider's representatives for information specific to their products.

When Can I Begin to Receive Distributions From the Plan?

Generally, except for any in-service withdrawals due to an unforeseen emergency, or loans as described in the previous section, a distribution from the Plan may only be made upon your retirement or separation of employment, disability or death.

You must begin to take distributions from the plan no later than the April 1 following the calendar year in which you attain age 70-1/2, or the year you retire, whichever occurs later, unless a later date is permitted by law, or unless a special waiver is granted for certain situations. For example, the required minimum distributions for 2009 were waived by special legislation. However, if you do not begin to receive distributions in a timely manner, you may be assessed a 50% penalty tax on the amount required to be distributed.

When can funds be withdrawn from a 457(b) Plan?

A 457(b) retirement plan is intended as a way to save for your retirement over the long-term. Consequently, the IRS places certain limitations on your ability to withdraw funds while you are actively employed. Distribution of your 457(b) funds is permitted when you separate from service, are disabled, or die.

Who to contact with questions?

Thomas County Schools Contact Information

Joey Holland or Brandi Norton
(229) 225-4380
jholland@tcjackets.net or benefits@tcjackets.net

Plan Financial Representatives -- Edward Jones

Erik Von Hellens
(229) 225-9393
Erik.vonHellens@edwardjones.com

Third Party Administrator – ADMIN Partners, LLC
Service Center Toll Free: (877) 484-4400 (Option 2)
Service Representative Email: service@youradminpartners.com