

# INVESTMENT INFORMATION

## WHAT IS A 403(B) AND/OR A 457 PLAN?

A **403(b)** plan is a retirement savings plan available for public education organizations. It has tax treatment similar to a 401(k) plan. Employee salary deferrals into a 403(b) plan are made before income tax is paid and allowed to grow tax-deferred until the money is taxed as income when withdrawn from the plan. 403(b) plans are also referred to as a tax-sheltered annuity.

The **457** plan is a type of deferred-compensation retirement plan that is available for governmental employers.

The employer provides the plan and the employee defers compensation into it on a pre-tax basis. For the most part the plan operates similarly to a 401(k) or 403(b) plan most people are familiar with. The key difference is that there is no penalty for withdrawal before the age of 59½ (but subject to income tax).

## WHY DO I NEED MORE THAN TRS RETIREMENT?

You have other options to help close the gap between your current income and what your retirement income will be.

The 3 main options include but are not limited to a:

❖ **403(b) - Tax Sheltered Annuity**

❖ **403(b)(7) - Mutual Fund**

❖ **457 - Deferred Compensation Plan**

[www.403bwhyme.com](http://www.403bwhyme.com)

**The OMNI Group (877) 544-6664**

Your contributions to these accounts can be payroll deducted on a pre-tax basis allowing your taxable income to be lower based on your contribution. Each of these accounts offer fixed and variable investment options for you to select from. A fixed investment sets your rate of return and remains consistent throughout your investing years. A variable investment allows for some volatility, meaning that when the market is up, your investment should be on the increase; when the market is down, your investment is likely to go down. Since each type of account comes with different tax rules, you will want to be sure you are aware of the difference with them.

Ultimately TRS is not going to provide you with the income or lifestyle you are used to having during your working years. Consider one of these options to help close that shortfall.



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