TSA
CONSULTING GROUP

Annual Retirement Benefits Guide

2020

TSA
CONSULTING GROUP

Kalamazoo Regional Educational Service Agency, MI
Kalamazoo RESA

The information provided by this Guide is intended to explain the benefits and provisions of the retirement savings plan maintained by your employer only. It is not intended to describe or cover any state sponsored retirement plans or other benefits available to you through your employer.

TABLE OF CONTENTS

MRIC Michigan Retirement Investment Consortium

MRIC is a group of public school districts and community colleges across Michigan whose purpose is to provide employees with the opportunity to save for their retirement and ensure their financial independence through a supplemental savings plan.
Our goal is to create the optimal retirement plan experience for all of our participants.

INTRODUCTION

Retirement is a life goal that everyone shares, but how each person reaches that goal differs vastly. In order to help you get ready for your retirement, your employer has established voluntary 403(b) and/or 457(b) plans that allow all eligible employees to participate through payroll reductions. These contributions are calculated and deducted before taxes, and your contribution is sent to the investment provider of your choice on your behalf. All you have to do to participate is complete a Salary Reduction Agreement for your employer and a few enrollment documents with the investment provider company to open your account with them directly.

Your employer has contracted with TSA Consulting Group, Inc. (TSACG) to be the Administrator of these voluntary retirement plans, and we provide several additional online services for your convenience including the following:

•**Employer Specific Webpages** - TSACG provides employer specific web pages on *https://www.tsacg.com* that list the authorized investment providers in the Plan(s) as well as other information pertinent to your employer.

•**Financial Wellness Center** - Explore articles and videos on retirement and day-to-day preparations as well as utilize budgeting calculators to see how much you might need when you retire and so much more.

•**Online Distribution System** – Use this system to obtain approval for an allowable distribution transaction. Approval certificates are provided for combination with your investment provider's forms for submission to their offices.

This book contains valuable information on your employer's available plans as well as other important information to help you make the most out of your participation. Once you have read through this information, please keep your book in a safe location for reference throughout the year.

Please visit TSA Consulting Group, Inc.'s website to view online video presentations about the different types of retirement plans and the benefits of participation. You will also find (if applicable) salary reduction forms needed for beginning, stopping, or changing a contribution amount on your employer specific page.

https://www.tsacg.com

ELIGIBILITY & ENROLLMENT

Are you eligible to participate?

Most employees are eligible to participate in the 403(b) and/or 457(b) plan(s) upon hire. However, if you are a private contractor, trustee, school board member, and/or student worker, you are not eligible to participate in the 403(b) plan. If you participate in a supplemental retirement plan through your employer, you are fully vested in your contributions and earnings at all times.

Are you ready to take action?

Once you are ready to participate in your employer's 403(b) and/or 457(b) plan(s), you should research the authorized Investment Provider(s) and Investment Product(s) available to you. Choose an investment product(s) that is suitable to help you meet your retirement goals and contact an Investment Provider Representative (if applicable) to open an account. You may only choose from Providers that are authorized under your employer's plan. A current list of your authorized Investment Providers is located at *https://www.tsacg.com/individual/plan-sponsor.*

How do you enroll?

After establishing your retirement account, you must complete a Salary Reduction Agreement (SRA) form for your 403(b) account, and/or a Deferred Compensation enrollment form for your 457(b) account. These forms authorize your employer to withhold contributions from your pay, and send the funds to your selected Investment Provider on your behalf.

The SRA form and/or Deferred Compensation enrollment form is necessary to begin or modify contributions, change allocations between Investment Providers, change the total amount of contributions, or end payroll contributions. These forms are available for download or printing at *https://www.tsacg.com/individual/plan-sponsor* .

Please be aware that submitting a SRA form and/or a Deferred Compensation enrollment form does not open an account with the selected Investment Provider. You must contact an Investment Provider Representative/Investment Provider to open an account with your selected Investment Provider prior to submitting a SRA form and/or a Deferred Compensation enrollment form.

The total annual amount of your contributions must not exceed the Maximum Allowable Contribution (MAC) calculation. The Internal Revenue Service regulations limit the amount participants may contribute annually to tax-advantaged retirement plans. For your convenience, the 2020 MAC limits are printed within this guide and a MAC calculator is available online at *https://www.tsacg.com/calculations/mac-calculator.*

What are the Benefits of 403(b) and 457(b) plans?

There are many benefits to contributing to 403(b) and 457(b) plans.

1) Contributions Deposited into Individual Accounts - You own your account and make all decisions concerning the amount of your retirement savings contributions.
2) Convenience of Payroll Contributions - Your employer sends each of your contributions to your selected provider company for deposit.
3) High Annual Contribution Limits - For 2020, employees can contribute up to $19,500 to their account. Some employees may qualify for other additional amounts. Information concerning these additional amounts is provided within this Guide.
4) Flexible Contributions - You may change the amount of your contribution during the year as allowed by your employer.
5) Benefits Paid to Your Beneficiary at Death - All funds in your account are payable to your beneficiary upon your death.

It is important to note that these accounts are designed for long-term accumulation. You should consult with your financial advisor or tax consultant to determine the potential advantages of a traditional 403(b) and/or 457(b) account.

How are traditional 403(b) & 457(b) account contributions made?

Contributions made to a traditional 403(b) or 457(b) account are pre-tax reductions from your paycheck. Therefore, your income tax is reduced for every payroll contribution you make. Any earnings on your deposits are tax-deferred until withdrawn, usually during retirement. All withdrawals from traditional 403(b) or 457(b) accounts are taxed during the year of the withdrawal at your income tax rate applicable for that year.

If you choose to participate in both a 403(b) and a 457(b) account, you may contribute up to the maximum allowable limit for each plan every calendar year. You can defer a maximum of $19,500 to a 403(b) account and $19,500 to a 457(b) account for a total of $39,000 during the calendar year. These amounts could be higher for employees who qualify for additional amounts defined under the plan.

What are the provisions for 403(b) & 457(b) accounts?

Qualified retirement plans, such as 403(b), 401(k) and IRAs apply additional taxes on distributions prior to age 55 and separation from service or attainment of age 59½.

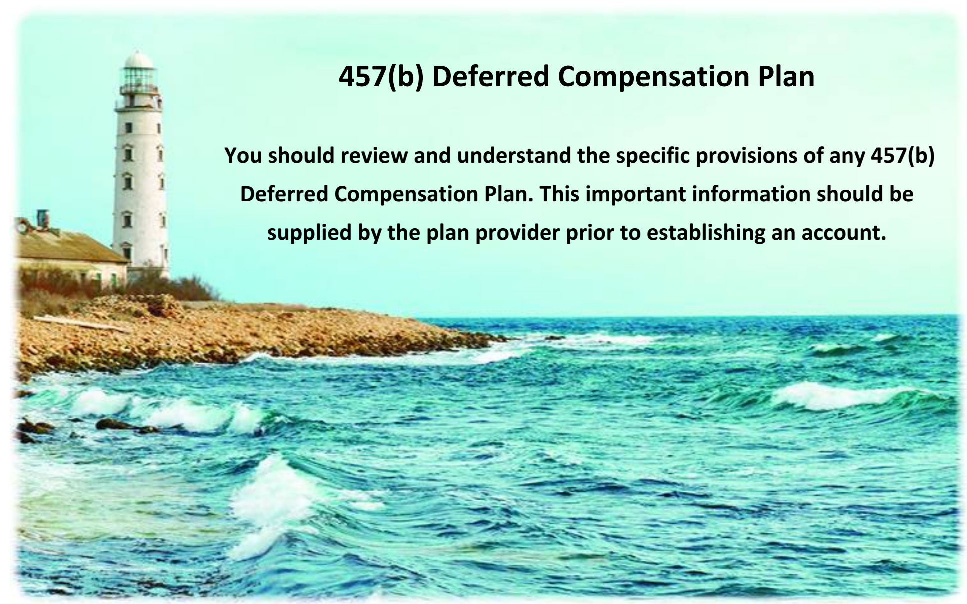
Provisions for distributions from 457(b) accounts differ from provisions for 403(b) plans. You may elect to take distributions at any time after separation from service, regardless of age, or defer distributions until age 70½. Distributions will be subject to normal income tax during the year in which they are received.

The decision to participate in a 403(b) plan and/or a 457(b) plan should reflect your future financial needs. For example, if you plan to retire and begin withdrawals prior to age 55, you may benefit from special 457(b) rules which allow these withdrawals without incurring a 10% tax surcharge applicable to qualified retirement plans such as 403(b) and 401(k).

How are Roth 403(b) contributions made?

Contributions made to a Roth account are after-tax deductions from your paycheck and are subject to limit coordination with traditional accounts. Income taxes are not reduced by contributions you make to your account. All qualified distributions from Roth accounts are tax-free. Any earnings on your deposits are not taxed as long as they remain in your account for five years from the date that your first Roth contribution was made. Roth 403(b) distributions may be taken if you are 59½ (subject to plan document provisions) or at separation from service.

NOTE: You should speak with your financial advisor to determine how participation can help meet future financial goals.



INVESTMENT PRODUCTS

There are several types of investment products for tax-advantaged retirement savings. For some employees, the assistance of an investment advisor can be very helpful in understanding how a particular investment product may help you reach your future financial goals and suggest a financial plan (or combination of investment products) suitable to your risk tolerance. The three main types of investment products that may be available through your employer are explained below. Make sure that the investment product you choose fits your timeframe, risk tolerance and financial needs.

What are fixed and variable annuities?
Fixed annuities usually provide for safety of principal and a current interest crediting rate. Variable annuities usually offer both a fixed interest account along with separate accounts that are invested in bond and/or equity markets.

What are service based mutual funds and custodial accounts?
Service Based Mutual Funds are offered by investment management companies and brokerage firms. Participants may direct their contributions to various investment portfolios, which are professionally managed by fund managers. Investment portfolios can include funds from a single fund family or consist of a platform that spans several fund families on a single statement. These mutual funds include fees to pay investment advisors to assist you with your investment choices and/or financial planning.

What are no-load/low fee mutual funds?
Self-directed Mutual Funds are investments that apply no sales fee to the market-based mutual funds offered, though ongoing investment management fees are charged to the funds selected. These funds are for individuals who do not wish to utilize the services of a local investment advisor. Participants direct the investments among the choices provided by the fund company with these investment products. You can contact the company by calling a toll-free phone number and/or online access.

It is important to understand the investment product prior to investing. A prospectus or other specific material will list the investment's objective along with any associated fees and charges.

Employer policy and administrative requirements allow Investment Providers who meet certain standards and qualifications to provide retirement accounts to employees. The Investment Providers listed on your employer's authorized Investment Provider page located at *https://www.tsacg.com* qualify under the guidelines established by your employer. This list does not reflect any opinion as to the financial strength or quality of product or service for any Investment Provider. Please be aware that this authorized Investment Provider list could change during the year, so please check your employer's specific pages on *https://www.tsacg.com* regularly for updates.

INVESTMENT FEES

When choosing an investment product it is important to know how fees associated with your product can affect your return.

Identify the fees, sales charges or administrative expenses associated with the account, such as:
Disclosure of Fees – Investment providers are required to disclose any fees associated with an investment product. This information may be included in an annuity contract, custodial agreement and/or a Prospectus. So, it is important to read these documents and ask your investment provider to explain each fee that is associated with your account.

Below are a few of the types of fees that are commonly charged. Investment costs, or fees, are usually deducted from the funds in your account.

- Annuity Contract Fee – Usually applies to certain variable annuity products and may be a fixed annual fee. This fee may not apply once your account reaches a certain accumulation balance.
- Custodial Fee – Charged each year by the custodian for holding mutual funds in your account.
- Expense Fee – Charges for investment management, administration, and distribution services associated with investment management of each mutual fund.
- Mortality and Expense Fee (M&E) – Applicable to variable annuities and expressed as a percentage of assets charged each year.
- Wrap Fee – May be added to mutual fund accounts to pay for advisor services.
- Transfer Fee – An amount charged for transferring your funds within a mutual fund family or to another fund.

You may also consider asking the following questions, as well as any others you may have, to help you evaluate what product is best for you.

How are the fees and expense charges applied?
Find out if they are charged to each contribution or to the account balance, etc.

Are surrender charges applicable to each payment or to the total account balance? How long does the surrender charge apply? Are surrender charges level, rolling or declining?
Withdrawal or Surrender Fee – Usually charged during the first few years after creation of your account or after each deposit and applicable only if you withdraw funds or exchange/transfer funds from your account.

What is the minimum interest rate and current rate of return for interest bearing accounts?
Rates will vary for different investment products, so ask your investment provider for further information.

What is the historical rate of return for interest bearing accounts, sub-accounts or funds?
Last twelve months and annual average for the last three, five and ten years, if applicable.

Be advised that the fees listed above are not intended to be a complete list of possible fees. Further, there are no investment products that are completely "fee-free" due to the fact that all investment products must be manufactured, managed, and administered by some entity.

Meet with an Investment Provider to begin

- Check with your colleagues to see what they think of the company, its investment options, and its service.
- Visit the investment provider's website.
- Review the financial products each investment provider offers.
- Review the MRIC report cards for each investment provider. Look at the performance of their investment options but also at the fees and expenses. Your financial plan will shape your retirement, so take some time to make sure that it's safe, sound, and will meet your goals.
- When you're ready go to ***www.mriconsortium.org/enroll-now/***. Representatives will contact you with more information about their firms and the investment options available to you.

Start Protecting Your Future

Take control of your financial decisions and challenges by using the excellent resources at the Financial Wellness Center. You'll find videos, financial calculators, and helpful articles.
mric.myfinancialwellnesscenter.com/

MRIC
Michigan Retirement Investment Consortium
Financial Wellness Center
TSA presented by TSA Consulting Group

QuickENROLL™ option

QUICK ENROLL Simplified Enrollment

We also offer a tool that enables employees to quickly enroll in a 403(b) account. This program is offered in several Michigan districts with many more on the way. Simplify your plan enrollment.
www.myquickenroll.com

Many Michigan school districts and colleges have joined the Michigan Retirement Investment Consortium (MRIC) in order to take advantage of the buying power that could not be gained by employers acting alone. To date, more than 250 employers have joined the consortium. MRIC was formed to negotiate better 403(b) pricing and products for employees of the member districts. All Investment Providers were chosen through a Request For Proposal process by the MRIC Board that consisted of representatives from local districts and RESA's/ESA's/ESD's/ISD's throughout the Consortium. The Consortium compared 403(b) companies based on product, performance, and fees. The goal is to offer participants high quality products with competitive fees and great service.

Investment Providers

MRIC negotiated with insurance companies, mutual funds and brokerage firms to gain access to investment products and services that are priced competitively. The consortium completed a thorough provider selection process in 2008 that identified six "best of class" or Core investment product providers. Each of the six MRIC selected providers is available in your 403(b) plan. Please *visit https://www.tsacg.com* for a complete list of your Investment Providers.

Core Investment Providers

These Core Investment Providers offer service based annuity and custodial account platforms with some no-load options. The breadth of investment products available through these options allows employees the choice of any fund or investment option offered by that provider, with financial representatives, either in person or over the phone, available to help the employees manage their long term investments if needed. The Core Investment Providers chosen are as follows:

Midwest Capital Advisors – 1-877-269-4032
Low cost mutual fund platform

Lincoln Investment – 1-888-844-7872
Mutual fund platform

MEA Financial Services – 1-800-292-1950
Variable annuities with fixed options and a mutual fund platform

PlanMember Services – 1-877-769-4032
Mutual fund platform with fixed interest options

AIG Retirement Services – 1-877-754-1113
Variable annuities with fixed interest options and a mutual fund platform

GLP & Associates – 1-877-457-9467
Mutual fund platform with fixed interest options

"Addition to the Core" Investment Providers

While the Core options cover the array of investments available to employees, some districts have local issues that call for adding investment providers to their offering to employees. As part of the Interlocal agreement, districts were encouraged to limit the number of "Addition to the Core" Investment Providers. These Investment Providers were required to meet compliance tests and were required to agree to the terms of the MRIC Board as agreed to by the Core plus Single Source Investment Providers. For a list of these additional Investment Providers, please visit your employer's specific Web page at *https://www.tsacg.com.*

mea Financial Services

Take a close look.

MEMBER FOCUSED/MEMBER OWNED

- Founded in 1973 to provide a member service for retirement
- Non-dues supported
- 100% owned by the MEA

EXCELLENT SERVICE

- Experienced and Licensed Local Representatives
- No cost, no obligation service, one on one personalized investment reviews
- East Lansing based dedicated client service support team
- Local Bargaining Support and Educational Seminars

ATTRACTIVE PROGRAMS

- Providing a select array of over 120 low-cost, no-load Mutual Funds
- Competitive Interest Rate Stable Value Funds
- No fee, no surrender charge, variable annuities*
- Nationally known, financially strong business partners

mea Financial Services

1-800-292-1950 or www.meafs.com to find your local representative

For the specific fund prospectus, contact your local representative. Mutual Funds and Variable Annuities are subject to market risk which may cause value to fluctuate including loss of principal. The contract prospectus contains information relating to the product's investment objectives, risks, charges and expenses as well as other important information. ***Please carefully read the prospectus. Investor may incur penalties if funds are withdrawn early.***

*Individual fund expenses and TPA fees may apply. See the individual fund prospectus for applicable expenses.

Securities offered through Paradigm Equities, Inc., a wholly-owned subsidiary of MEA Financial Services, 1216 Kendale Blvd., East Lansing, MI 48823

MIDWEST CAPITAL
ADVISORS™

Partnering. Educating. Making the difference.

> *“The **ideal 403(b)** plan should (1) **operate solely in the interest of** plan **participants**, … (2) have **transparent costs,** each of which is **reasonable** … and (3) feature **broadly diversified** investment **options** designed … to **reduce risk** and **increase return** ….”*[1]

Independent: Free from conflict of interest. No ties to any bank, brokerage or mutual fund company, which allows us to select the mutual funds that best meet our clients’ needs and objectives.

Fee-only: We do <u>not</u> sell products (e.g., annuities or insurance). We do not receive product-based compensation or commissions in any form. This results in complete fee transparency and allows us to make recommendations that are truly in the best interest of our clients.

Fiduciary: We put our clients’ interests first. Period.

Low-cost: Because we do not sell commissioned products, we are able to access low-cost investment solutions from a variety of fund families, such as **Vanguard**, **Janus**, **Dimensional Fund Advisors** and more.

We have CERTIFIED FINANCIAL PLANNER™ professionals on staff to help you meet your needs. Contact us to find out how an independent adviser can help you build a secure retirement and feel more confident about your investments.

Midwest Capital Advisors, LLC
www.midwestcap.com|www.2my403b.com
Email: jtunge@midwestcap.com or info@midwestcap.com
3001 Orchard Vista Drive SE, Grand Rapids, MI 49546
Toll Free: 1-877-269-4032 (1-877-2my-403b)

[1] *Simon, W. Scott, “Fiduciary Focus: Fleecing 403(b) Plan Participants (Part 7),” Morningstar, November 1, 2007. Read the complete article at http://www.prudentllc.com/download/Scott11-01-07.pdf*

Understanding your finances is the first step towards achieving the retirement you envision. With over 130 educational seminars hosted at more than 3,000 school employees each year, we are committed to helping you prepare for your future. Our proprietary LIFETRAXX software can help you achieve your financial goals by providing the guidance you need to select the investments that are right for you.

Williams & Company
FINANCIAL SERVICES

Phone: (877) 769-4032
lifetraxx@williams-co.com • Williams-co.com

PlanMember

Smart Choice

For your 403(b) and 457(b) retirement accounts

AIG Retirement Services is proud to provide retirement and financial services to Michigan Public Schools employees.

Full retirement and financial planning services

We are proud to have been selected a core provider for the Michigan Retirement Investment Consortium (MRIC). With more than half a century of helping Americans plan for and enjoy a more secure retirement, we offer:

- Experienced local financial advisors
- Financial planning solutions at no cost or obligation
- An array of investment options including low-cost no-load funds
- Online financial education and free live seminars
- A history of innovation, well-known products and superior services

We are committed to the same unchanging standard of one-on-one service we have delivered since our founding.

Call the MRIC hotline at 877-754-1113, our district office at 248-754-1113 or visit aig.com/RetirementServices

Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser.
Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.
AIG Retirement Services represents AIG member companies — The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries, VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).

VC 22722 (07/2019) J330601 EE

AIG Retirement Services

AIG

GLP Financial Group

EDUCATING YOUR MONEY FOR OVER 50 YEARS

The GLP Family of Companies has been helping to meet the retirement needs of public education employees and non-profit professionals for over 50 years.

EQUIPPED TO HELP EVERYONE ACHIEVE THEIR RETIREMENT AND FINANCIAL GOALS AT EVERY STAGE OF LIFE.

ANNUITIES | ASSET PROTECTION | WEALTH MANAGEMENT

$3 Billion+ In Accumulated & Administered Assets
80,000+ Current Clients
50+ Years In The Industry

GLP Financial Group

GLPFINANCIALGROUP.COM
248-489-0101
INFO@GLPWINS.COM

Securities offered through GLP Investment Services, LLC, Farmington Hills, MI 48331, (248) 489-0101, Member FINRA/SIPC. Investment advisory services offered through Asset Allocation Strategies, LLC a Registered Investment Advisor. GLP Investment Services, LLC and Asset Allocation Strategies, LLC are affiliated firms.

Can distributions be taken?
Typically, participants may not take a distribution of plan accumulations without tax penalty unless they have attained age 59½ or separated from service in the year in which they turn 55 or older. The Internal Revenue Service regulations restrict other 403(b) plan distributions.

When are permissible distributions permitted?
Generally, a distribution cannot be made from a 403(b) account until you:
- reach age 59½ ;
- have a severance from employment;
- are deceased;
- become disabled;
- in the case of salary reduction contributions, encounter a specific financial hardship; or
- have a qualified reservist distribution.

In addition to the information provided in this section, the IRS makes available at *www.irs.gov* several publications which speak to retirement plan transactions and taxation. These publications include the following:
- 571 - Tax Sheltered Annuity Plans (403(b) Plans) For Employees of Public Schools and Certain Tax-Exempt Organizations - (403(b) Plans);
- 575 - Pension and Annuity Income - (403(b) Plans);
- 4484 - Plan Feature Comparison Chart (Choose a Retirement Plan) - (457(b) Plans).

Are there taxes on distributions?
Yes, a distribution from a traditional 403(b) or 457(b) account is generally taxed as ordinary income in the year it is issued. There are specific federal tax-withholding rules that apply to all distributions from retirement savings and investment plans. The taxes on plan distributions can be complex. For these reasons, if you are considering a distribution from your account, you are encouraged to seek professional tax advice. If you choose to take a distribution, you are responsible for satisfying the distribution rules and for any tax consequences. Distributions to participants are reported annually by the provider on IRS Form 1099R.

Can loans* be taken out on a 403(b) account?
Depending on the provisions of your 403(b) account contract and the provisions of the employer's plan, you may be eligible to take a loan from your 403(b) account.

If available, general-purpose loans are generally granted for a term of five years or less, and loans taken to purchase a principal residence may be longer than five years.

Details and terms of a loan are established by the provider and/or the plan. Participants must repay loans through regular payments as directed by the provider and/or the plan. Loans are generally not permissible to participants who have an outstanding defaulted loan in any retirement plan maintained by the employer.

NOTE: 457(b) loan provisions are similar to 403(b) provisions. However, not all Investment Providers offer 457(b) loans.

Can retirement account balances be exchanged?*
Participants may exchange retirement account balances from one 403(b) investment provider to another 403(b) investment provider that is authorized under the plan; however, there may be limitations affecting exchanges, and participants should be aware of any charges or penalties that may exist in individual investment contracts prior to exchange.

NOTE: Exchanges between 457(b) Investment Providers are similar to 403(b) exchanges.

When do the required minimum distributions begin?
You must begin receiving minimum distributions from the Plan by April 1 following the year you turn age 72, or if later, the year in which you retire.

What is a qualified domestic relation order?
A Qualified Domestic Relation Order (QDRO) is a legal judgment, decree or order that provides a participant's spouse, former spouse, child, or dependent with all or a portion of the participant's retirement account balance.

What is a Rollover?*
Participants may move funds from one qualified plan account, i.e. 403(b) account, 401(k) account or an IRA, to another qualified plan account at age 59½ or when separated from service. Rollovers do not create a taxable event.

* Some provisions above may not be available under your employer's plan and/or your investment contract.

What is a plan-to-plan transfer?*

The term plan-to-plan transfer means that the participant is moving his or her 403(b) and/or 457(b) account from one sponsor's plan and retaining the same account with the authorized investment provider under the new plan sponsor's plan.

Can retirement account balances be used to purchase service credit?

If allowable by your state retirement system and if you are eligible, you may be able to use your retirement account balances to purchase service credits for state retirement. Contact your state retirement system for additional information.

When can hardship withdrawals for 403(b) plans* be taken?

You may be able to take a hardship withdrawal in the event of an immediate and specific heavy financial need. To be eligible for a hardship withdrawal according to IRS Safe Harbor regulations, you must verify and provide evidence that the distribution is being taken for one or more of the following six reasons: 1. eligible medical expenses; 2. the purchase of a principal residence (excluding mortgage payments); 3. tuition payments and/or room and board for the next 12 months of post-secondary education for the participant, his/her spouse or dependents; 4. payments necessary to prevent foreclosure on the mortgage of, or eviction from, a principal residence; 5. funeral expenses for a family member; or 6. loss or damage as a result of a natural disaster (for example, an earthquake).

When can unforeseen financial emergency withdrawals for 457(b) plans* be taken?

You may be able to take a withdrawal from your 457(b) account in the event of an unforeseen financial emergency. An unforeseeable emergency is defined as a severe financial hardship of the participant or beneficiary. These emergencies are typically caused by a sudden and unexpected event such as an illness or accident involving the participant or beneficiary, the participant's or beneficiary's spouse, or the participant's or beneficiary's dependent; loss of the participant's or beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or the beneficiary. For example, the imminent foreclosure of or eviction from the participant's or beneficiary's primary residence due to unanticipated events, such as a sudden and unexpected illness or accident, may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent, of a participant or beneficiary may also constitute an unforeseeable emergency. The purchase of a home and the payment of college tuition are not unforeseeable emergencies.

* Some provisions above may not be available under your employer's plan and/or your investment contract.

Online Distribution System

TSACG's Online Distribution System (ODS) is the fastest and easiest way for authorization of a distribution from your account. This online resource is accessible to all participants and employers through TSACG's website located at *https://www.tsacg.com.*

Distribution transactions may include loans, transfers/exchanges, rollovers, hardship withdrawals, QDROs, or cash distributions.

By using ODS, approval certificates for allowable transactions may be provided immediately for submission to your Investment Provider. Transactions such as hardships, which require additional documentation and information, can be initiated online for expedited completion. Only transactions allowed by your employer's plan can be processed. Transactions can be submitted 24 hours a day, 7 days a week for your convenience.

For those who would prefer to submit a transaction via fax or mail, TSACG has the necessary forms available online to complete a plan transaction. These forms can be accessed on TSACG's website at *https://www.tsacg.com.*

Transaction Forms for Manual Submission

All transactions require a Transaction Information form, which is available online at *https://www.tsacg.com*, as well as applicable Investment Provider form(s), obtained from your Investment Provider, to be submitted.

You may request distributions by completing the necessary forms and submitting all completed documents to TSACG via fax at 1-866-741-0645 or 1-866-814-0622 for processing. Carefully reviewing all documentation, verifying that you have signed all necessary forms, and verifying that you have included any necessary evidence will help TSACG avoid delays that are caused by incomplete documentation.

Submitting Forms to TSACG

For transactions that require the original documents, please mail to the following address:

TSA Consulting Group, Inc.
Attn: Participant Transaction Dept.
P.O. Box 4037
Fort Walton Beach, FL 32549

For assistance with transactions, please call 1-888-796-3786 and select option 4.

For those opting not to utilize the Online Distribution System, the Transaction Information form is required to accompany your investment provider's paperwork for submittal to TSACG, and it can be downloaded from *https://www.tsacg.com/forms/*. TSACG requires the following forms and documentation with faxes and mailed transaction paperwork in order to process the transactions as listed below:

TRANSACTION REQUESTED	FORMS NEEDED FOR PROCESSING
Contract Exchanges, Rollovers - incoming and outgoing	Submit complete Investment Provider paperwork for transaction and the following: • Completed Transaction Information form (Original forms may be required by the Investment Provider)
Transfers	Submit complete Investment Provider paperwork for transaction and the following: • Completed Transaction Information form (Original forms may be required by the Investment Provider)
403(b) Hardship Withdrawals	Submit complete Investment Provider paperwork for transaction and the following: • Completed Transaction Information form • Completed Hardship Withdrawal Disclosure form • Evidence of expenses equal to or more than amount requested *Please note that evidence of expenses MUST be provided for approval of request*
457(b) Unforeseen Emergency Withdrawals	Submit complete Investment Provider paperwork for transaction and the following: • Completed Transaction Information form • Completed Unforeseen Emergency Withdrawal • Evidence of expenses equal to or more than amount requested *Please note that evidence of expenses MUST be provided for approval of request*
403(b) and 457(b) Loans	Submit complete Investment Provider paperwork for transaction and the following: • Completed Transaction Information form
403(b) and 457(b) Cash Withdrawals (with qualifying event only; i.e., age 591/2 or separation from service)	Submit complete Investment Provider paperwork for transaction and the following: • Completed Transaction Information form
Transfer - Purchase of Service Credit	Submit complete Investment Provider paperwork for transaction and the following: • Completed State Retirement System Documents • Completed Transaction Information form (Original forms may be required by your Investment Provider and/or retirement system)

PLEASE NOTE:
Some of the provisions listed may not be available under your employer's plan and/or your investment contract.

Contributing to your personal retirement account is an important part of your total financial plan. It is important to remember that federal guidelines determine the maximum allowable contribution or "MAC" that can be sheltered from current income tax each year.

All participants should receive regular information from their account provider about scheduling the level of their contributions each year. This is especially true if you are eligible to use a service-based "catch-up" election or age-based "additional amount" this year. Years of service must be verifiable by your current employer. The following worksheet is designed to help you and your representative determine your MAC limit for this year.

NOTE: Employees who maintain and contribute to both 401(k) and 403(b) accounts during the same calendar year are subject to a combined maximum limit on contributions even if the plans are maintained by separate employers. Participants should seek further information regarding their MAC limit each year from their account representative or professional advisor.

WORKSHEET FOR 403(b) and 403(b)(7) ACCOUNTS ONLY

2020 BASIC LIMIT: **$19,500.00**

The basic limit is 100% of your includable compensation up to $19,500.
This worksheet assumes that your income will exceed $19,500.

SERVICE-BASED SPECIAL CATCH-UP LIMIT:

Under IRC Section 402(g), if you have been employed by the employer for more than fifteen (15) years and your contributions to all plans (403(b)(7), etc.) have not averaged over $5,000 per year (total contributions divided by number of years), you may be able to contribute up to an additional $3,000 per year. The total aggregated dollar amount of this catch-up provision over your career is $15,000. This total is calculated by adding together the catch-up amounts utilized for all years.

STEP 1: Divide your total prior contributions by your years of service with employer.

__________________ /__________________ = ________________

If this average is more than $5,000, you are not eligible to use this option.
If this average is less than $5,000, proceed to step 2.

STEP 2: Prior basic limits are listed below; list all prior yearly contributions. Amounts in excess of the basic limit are 402(g) contributions.

1997	$ 9,500 _______________	2007	$ 15,500 _______________
1998 - 1999	$10,000 _______________	2008 - 2011	$16,500 _______________
2000 - 2001	$10,500 _______________	2012	$17,000 _______________
2002	$11,000 _______________	2013 - 2014	$17,500 _______________
2003	$12,000 _______________	2015 - 2016 - 2017	$18,000 _______________
2004	$13,000 _______________	2018	$18,500 _______________
2005	$14,000 _______________	2019	$19,000 _______________
2006	$15,000 _______________		

2020 BASIC LIMIT: $ 19,500.00

If the excess is more than or equal to $15,000, no further Service-based amount is allowed.
If this total is less than $15,000, subtract amount from $15,000 and list here: $_______________

Enter $3,000 or the lesser amount from above here: $ _______________

Age-Based Additional Limit: (Age 50 or older) If your date of birth falls on or before 12/31/1970, you may contribute an additional $6,500 in the 2020 calendar year.
Your Age-Based Addition allowed for 2020 is: $ _______________
(Amount will be $0.00 if you are less than fifty years of age).

MAC LIMIT FOR 2020: $_______________

CONTACT YOUR INVESTMENT ADVISOR WITH QUESTIONS

What is "the plan" ?
The plan encompasses the provisions of a 403(b) and/or 457(b) arrangement whereby employees may contribute and accumulate savings on a tax favored basis through their paycheck. The provisions of the plan are defined by a plan document that is adopted by the Plan Sponsor, or employer, and qualifies under Internal Revenue Service (IRS) guidelines. These provisions are outlined in this Guide to assist you in understanding how to better utilize this important employee benefit. The plan also lists the Investment Providers that your employer has authorized to provide 403(b) and/or 457(b) accounts.

What are account accumulations?
Account accumulations are the funds, plus any earnings, in your retirement account(s) that have grown as you continually contribute to your account.

Who is a participant?
If you decide to contribute to a personal retirement plan, you become a participant of that plan.

Who is a Plan Sponsor?
The entity (generally your employer) that established and maintains the retirement plan is considered the Plan Sponsor.

What is an Investment Provider?
In this Guide, an Investment Provider refers to companies that are authorized in your employer's plan to offer you retirement products such as mutual funds and/or annuities.

What is a Plan Administrator?
A Plan Administrator is responsible for processing your transactions, maintaining records, and keeping your employer's plan in compliance with IRS Regulations. Your employer's Plan Administrator is TSA Consulting Group, Inc. (TSACG).

Why are transaction requests submitted to the Plan Administrator?
IRS regulations require that the Plan Sponsor review all transaction requests to ensure that they are permitted by the provisions of the plan. On behalf of your Plan Sponsor, TSACG's professionally trained staff reviews these transactions to ensure they are compliant with regard to both plan provisions and IRS regulations.

What is a MAC?
Your Maximum Allowable Contribution (MAC) is the total amount you are allowed to contribute to your retirement account each year. This amount is based on IRS regulations and the provisions of your employer's plan. Additional information about the MAC limits are explained on the MAC page within this Guide.

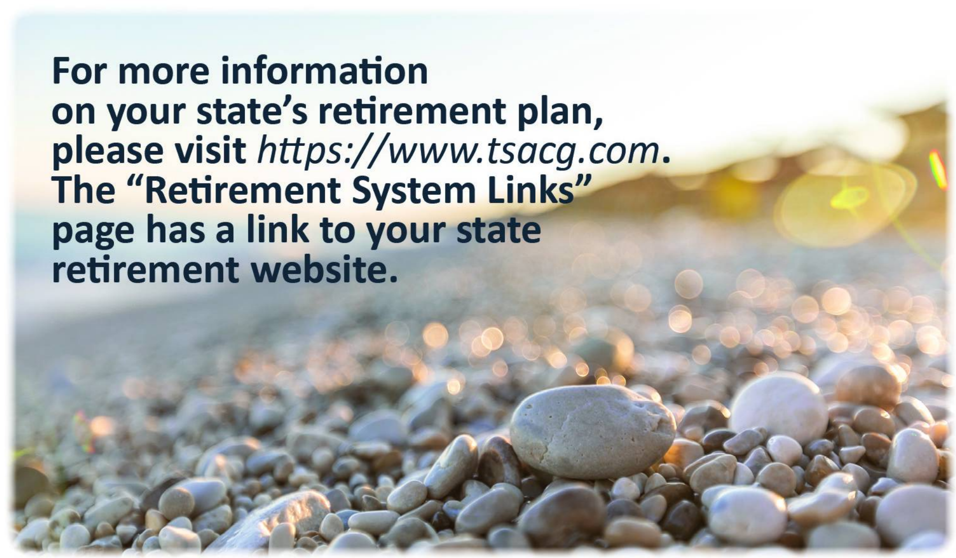
What is the difference between an exchange and a rollover?
An exchange is the movement of your account from one Investment Provider to another Investment Provider in the plan while employed. A rollover is the movement of your account out of the plan to another retirement plan or account at separation of service or attainment of age 59½.

As a public service employee, you may be a member of your state retirement plan. Your state's retirement plan may be a defined benefit plan, a defined contribution plan, and/or a hybrid (or combined) plan. Please note that not all of the plans listed below are available in all states.

What is a defined benefit (pension) plan?
Defined Benefit (Pension) Plans guarantee a retirement benefit that is predetermined. The employer and the employee contribute a specified percentage or amount to the plan, and the amount may vary in order to pay the monthly retirement benefits. The amount of the retirement benefit is based on a formula that takes into account the years of service and average final salary.

What is a defined contribution plan?
Defined Contribution Plans guarantee a set contribution made by the employer. The employer contributes a specified percentage or amount toward the plan. Employees usually choose their preferred investment options, and therefore, the employee usually assumes the risks of those investments. The amount of the retirement benefit will depend on the investments and account accumulations the employee has chosen. The employee may also be eligible to contribute to the plan.

What is a hybrid (combined) plan?
Hybrid (Combined) Plans are a combination of a defined benefit plan and a defined contribution plan. Generally, the employee contributions are a defined contribution plan and the employer contributions are a defined benefit plan; however, the combinations available vary from plan to plan.



Note: Your state retirement system is not associated with your supplemental retirement account or TSA Consulting Group, Inc.

TSA Consulting Group, Inc.
15 Yacht Club Drive NE
Ft. Walton Beach, FL 32548
https://www.tsacg.com

Kalamazoo Regional Educational Service Agency, MI