DISTRICT FIVE SCHOOLS
OF SPARTANBURG COUNTY

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Telephone: (864) 949-2350 • Fax: (864) 439-0051 • www.spart5.net

Spartanburg County School District 5 403(b) Plan

Dear Employees:

This letter is to inform you of your rights, as an employee of District Five Schools, to enroll in a 403(b) Plan. Enclosed is a paper titled "Important Benefit Information Regarding Your 403(b) Plan" (Attachment A), which provides some general information.

Due to significant changes in IRS regulations regarding employers' role in these tax-deferred deductions, we are using The Omni Group for our 403(b) compliance needs as of July 1, 2014. The Omni Group will be assisting Spartanburg County School District Five with testing limits and providing a compliance umbrella that ensures loans, hardship withdrawals and transfers are made correctly.

The following three **Approved Vendors** are authorized to receive contributions and contract exchanges between vendors under the Spartanburg County District Five 403(b) Plan:

Name of Vendor	Contact Information for Local Investment Representative	
Ameriprise Financial Services, Inc.	General Number	(800) 862-7919
Horace Mann Companies	General Number	(866) 999-1945
The Variable Annuity Life Insurance Company	General Number	(800) 448-2542

If you choose to enroll in a 403(b), you will need to review the information on the Approved 403(b) Plan Vendor List and contact the vendor(s) to determine where you would like to invest your contributions. The financial advisor from your chosen vendor will provide you with a form to set up your account and will issue you an account number.

Please note that District Five Schools of Spartanburg County's 403 (b) plan only includes the pre-taxed account and **does not** include a 403 (b) Roth post-tax plan.

Once you have completed paperwork provided by the selected vendor and received the account number, you will need to enroll with Omni Group using the enclosed enrollment form (Attachment B) or go to www.omni403b.com for online registration. Please return completed enrollment form to Omni Group, Water Tower Park, 1099 Jay Street, Building F, Rochester, NY 14611. The Omni Group will notify us of the date to start withholding your contribution.

If you have any questions regarding this information, please contact the Omni Group Participant Service Center at (877) 544-OMNI from 7:30 a.m. to 8:00 p.m., Eastern Standard Time, Monday through Friday.

David Hayes
Director of Finance
District Five Schools

THE OMNI GROUP

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Important Benefit Information Regarding Your 403(b) Plan

What is a 403(b) retirement plan?
A 403(b) is a tax-deferred retirement plan for employees of public educational institutions and certain other non-profit organizations. A 403(b) plan allows you to contribute a portion of your compensation on a pre-tax basis in order to save for your retirement. Contributions are made to the plan by payroll deduction.

Can I make contributions to the 403(b) plan?
You have the right to make contributions/elective deferrals to the 403(b) plan. If you wish to start contributing to the plan, refer to the question titled "What do I need to do in order to start making elective deferrals?" for information on how to get started.

What are the benefits of contributing to a 403(b) plan?

- Contributing to a 403(b) plan helps to ensure that you will have funds to provide yourself with an income during retirement.
- The pre-tax elective deferrals that you make to the plan now are not taxed until you withdraw them. This means you are lowering your taxable income now, and will potentially lower the amount of income tax you will pay on those funds at the time of withdrawal, when you may be in a lower tax bracket.
- Both your pre-tax elective deferrals and earnings grow tax free until they are withdrawn.
- ***NOTE: The plan for District Five Schools of Spartanburg County does not allow for a post-tax 403 (b) ROTH***

What do I need to do in order to start making elective deferrals?
Your first step will be to contact a participating 403(b) service provider (vendor) to establish your investment account. A list of participating service providers (vendors) for your employer is available on OMNI®'s website at www.omni403b.com. From the Omni Group website, select the "state" of "SC" and then "Spartanburg County District Five Schools" as the Employer Name. The approved Vendor list will be available for your review.

After working with your vendor to establish your account and select investment vehicles, you will then need to complete an OMNI® online Salary Reduction Agreement (SRA) to initiate your deductions **or** complete and mail Attachment B – 403(b) Salary Reduction Agreement Form (SRA) to the Omni Group. If you are unable to access the website or want additional information, please contact the Omni Group Participant Service Center at (877) 544-OMNI from 7:30 a.m. to 8: 00 p.m. Eastern Standard Time Monday through Friday.

How much can I contribute to a 403(b) plan?
Contribution limits are dependent on a number of factors. The IRS base limit in 2014 is $17,500. Employees over the age of 50 are automatically eligible to increase this amount to $23,000. Individuals with more than 15 years of consecutive service with their current employer MAY be

eligible to contribute up to an additional $3,000 beyond their age based maximum. Please contact OMNI's Customer Care Team for assistance determining your eligibility for the service based catch-up.

When can funds be withdrawn from a 403(b) plan?
A 403(b) retirement plan is intended as a way to save over the long-term for your retirement. Therefore, distribution of the funds are only allowed when you separate from service, are disabled, die or are at least age 59 ½.

Taking a non-taxable loan or a hardship withdrawal are available options to you should it be necessary for you to withdraw funds from your 403(b) plan prematurely. Taking a hardship withdrawal must meet the requirements of an immediate and heavy financial need. However, certain income taxes and tax penalties may apply, depending on the situation.

For more information on enrolling in your 403(b) Plan, making changes to your current deferral or vendor elections, or any other questions or requests for information,
Omni Group, Water Tower Park, 1099 Jay Street, Building F, Rochester, NY 14611.

If you have any questions regarding this information, please contact the
Omni Group Participant Service Center at (877) 544-OMNI from 7:30 a.m. to 8:00 p.m. Eastern Standard Time Monday through Friday.

THE OMNI GROUP
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Water Tower Park
1099 Jay Street, Bldg F, 2nd FL • Rochester, NY 14611
PH: 877.544.6664 • FAX: 585.672.6194

403(b) SALARY REDUCTION AGREEMENT FORM (SRA) For Tax Sheltered Annuities and Custodial Accounts

403(b)

- **Please supply the information requested below.**
- **Read all agreements on this form before submitting.**
- **Fields having an asterisk notation are required.**

IMPORTANT NOTICE: Before You Sign, Read All Information on this form:

A Tax Sheltered Annuity ("TSA") is an investment account that is set aside for your retirement (only), and is paid for with "pre-tax" dollars. A Custodial Account ("CA") is the group or individual custodial account or accounts, established for each Employee, by the Employer, or by each Employee individually, to hold assets of the Plan. Unless utilizing the catch-up provisions, your Maximum Allowable Contribution ("MAC") cannot exceed $17,500 ($23,000 if age 50 or over). Both TSA & CA receive tax deferred treatment.

Part 1: Employee Information

☐ Please check here if you have contributed to another 403(b) or 401(k) plan with another employer this calendar year. If so, please provide the amount of the year-to-date contributions you have made to the other employer's plan: $ _____ and the name of the other employer: _____

* Social Security Number: _____ * First Name: _____ MI: ____ * Last Name: _____

*Address: _____

* City: _____ *State: ____ *Zip: _____

* Date of Birth: _____ * Phone: _____ *Email address: _____

Part 2: Employer Information

* Full Organization Name, City and State: _____ * Date of Hire: (mm/dd/yyyy) _____

Part 3: Contribution Information

OPTION 1: Recurring Contributions

WARNING!!! Any new recurring contributions will supercede all current recurring contributions to your employer's 403(b) plan administered by OMNI. If you are currently contributing to multiple service providers under your employer's 403(b) plan, please be sure to list all contributions you wish to continue. Any active 403(b) contributions found in our records, but not listed below WILL BE DISCONTINUED.

Also, a contribution may be discontinued by listing it below with an amount of zero.

Please withhold funds from my pay for the following 403(b) contributions until further notice:

Plan Type	Service Provider	Account #	Effective Date	Amount Per Pay	OR	Percent Per Pay Period
☐ 403(b) ☐ ROTH 403(b)						
☐ 403(b) ☐ ROTH 403(b)						
☐ 403(b) ☐ ROTH 403(b)						
☐ 403(b) ☐ ROTH 403(b)						

If you have requested a percentage amount for any of the contributions above, please supply:
Your Annual Salary: _____ Number of Pay Periods Per Year: ____

☐ Please check here if you are NOT a full-time employee

OPTION 2: One-Time Contributions (Elective Contributions Only)

Plan Type	Service Provider	Account #	Effective Date	Amount	After this contribution, any 403(b) recurring contributions to this service provider should be:
☐ 403(b) ☐ ROTH 403(b)					☐ DISCONTINUED ☐ RESUMED
☐ 403(b) ☐ ROTH 403(b)					☐ DISCONTINUED ☐ RESUMED
☐ 403(b) ☐ ROTH 403(b)					☐ DISCONTINUED ☐ RESUMED
☐ 403(b) ☐ ROTH 403(b)					☐ DISCONTINUED ☐ RESUMED

☐ Please check here if you are NOT a full-time employee

OPTION 3: Participation Opt Out

☐ **I do not wish to participate at this time.** I understand that I may participate in the future simply by filling out a new Salary Reduction Agreement form.

Continued on next page...

Part 4: Agreements and Acknowledgements

The above named Employee where applicable, agrees as follows:

1. To modify his/her salary reduction as indicated above.
2. That his/her Employer transfers the above stated funds on Employee's behalf to OMNI for remittance to the selected Service Provider(s).
3. This SRA is legally binding and irrevocable with respect to amounts paid.
4. This SRA may be changed with respect to amounts not yet paid.
5. This SRA may be terminated at any time for amounts not yet paid or available, and that a termination request is permanent and remains in effect until a new SRA is submitted.
6. (a) That OMNI does not choose the annuity contract or custodial account in which your contributions are invested.
   (b) OMNI does not endorse any authorized Service Provider, nor is it responsible for any investments.
   (c) OMNI makes no representation regarding the advisability, appropriateness, or tax consequences of the purchase of the TSA and/or CA described herein.
   (d) (i) OMNI shall not have any liability whatsoever for any and all losses suffered by Employee with regard to his/her selection of the TSA and/or CA, its terms, the selection of any service provider, the financial condition, operation of or benefits provided by said service provider, or his/her selection and purchase of shares by any service provider. Nothing herein shall affect the terms of employment between Employer and Employee.
   (ii) Employee acknowledges that Employer has made no representation to Employee regarding the advisability, appropriateness, or tax consequences of the purchase of the annuity and/or custodial account described herein.
   (iii) The Employer shall not have any liability for any and all losses suffered by an Employee with regard to the selection(s) of any TSA and/or CA, any related terms and conditions, the selection of any service provider, the financial condition, operation of or benefits provided by any service provider or the selection and purchase of shares by any service provider.
7. To be responsible for setting up and signing the legal documents necessary to establish a TSA or CA.
8. To be responsible for naming a death beneficiary under their TSA or CA. This is normally done at the time the contract or account is established. Beneficiary designations should be reviewed periodically.
9. When provided all required information in a timely manner, OMNI is responsible for determining that salary reductions do not exceed the allowable contribution limits under applicable law, and will complete MAC calculations as required by law.
10. To contact OMNI and complete the appropriate OMNI forms for any requests for distributions, loans, hardship withdrawals, account exchanges plan-to-plan transfers or rollover contributions. Processing fees for the foregoing transactions may apply.
11. This SRA is subject to the terms of the Services Agreement between OMNI and Employer, and to the Information Sharing Agreement between OMNI and the Service Providers, copies of which may be obtained from Employer.
12. This agreement supercedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

Part 5: Employee Signature (Mandatory)

I certify that I have read this complete agreement and that my requested salary reduction(s), if in excess of my base limit, represent(s) my wish to utilize any catch-up provisions for which I may be eligible. I further certify that my salary reductions do not exceed contribution limits as determined by applicable law. I understand my responsibilities as an Employee under this Program, and I request that Employer take the action specified in this agreement. I understand that all rights under the TSA or CA established by me under the Plan are enforceable solely by my beneficiary, my authorized representative or me.

Employee Signature: _____ Date: _____

Part 6: Acknowledgement and Representation of Sales Agent/Representative (If Applicable)

I agree to comply with all pertinent written directives regarding the solicitation of Employee. A calculation of maximum allowance will be provided annually for Employee contributing more than $17,500 ($23,000 if over 50) or utilizing the "catch-up provisions". Furthermore, my employer (name)_____ agrees to indemnify and hold harmless the Employer, any individual member of the governing board and the Employee participating in the 403(b) Program against any claims based on an error in the MAC I provided, except where the error is based upon erroneous information provided by Employer or Employee. Additionally, I will notify OMNI regarding any distributions or loans to participants.

Sales Agent/Representative Name: _____ Phone: _____

Address: _____

Signature: _____ Date: _____

Part 7: Employer Acknowledgement (If Applicable)

Salary: _____ # of TSA/CA Pay Periods: _____ Effective Payroll Date: _____

Employer Name & Title: _____

Employer Signature: _____ Date: _____

Please return this agreement to The OMNI Group, unless otherwise advised by your employer:

The OMNI Group
Water Tower Park • 1099 Jay Street, Building F • Rochester, NY 14611
Toll Free: (877) 544-OMNI ® • Fax: (585) 672-6194
Please visit our website at **www.omni403b.com**

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