

This way

TO RETIREMENT PLANNING...

Start participating in Watertown School District's 403(b) plan today!

The dollars you put in the 403(b) Plan are deducted from your salary before your income tax is calculated. You pay no income tax on your 403(b) contributions or earnings until you withdraw the money from your account. Your tax liabilities during your earning years can be substantially reduced.

Example: An employee, who earns \$42,000, can save \$2,400 in the 403(b) Plan at a cost of just \$1,800.

Here's how it works on a monthly basis:

	403(b)	No 403(b)
Earnings	\$3500	\$3500
403(b) Deferral	(200)	0
Taxes (25%)	(825)	(875)
SS & Medicare	(280)	(280)
Take-Home Pay	\$2195	\$2345

The 403(b) participant in this example pays **\$50.00 less** per month in taxes than the non-participating employee and accumulates **\$200** a month for retirement at an out-of-pocket cost of only **\$150.00**.

The earnings on the 403(b) investment also accumulate tax-deferred. Unlike taxable investments, this incurs no annual tax on capital gains or dividends. That lets you keep more investment dollars growing.

Your TSA funds are taxed as ordinary income when you withdraw them, usually after age 59 ½. Early withdrawals from a 403(b) are restricted by the tax code and often carry a tax penalty.

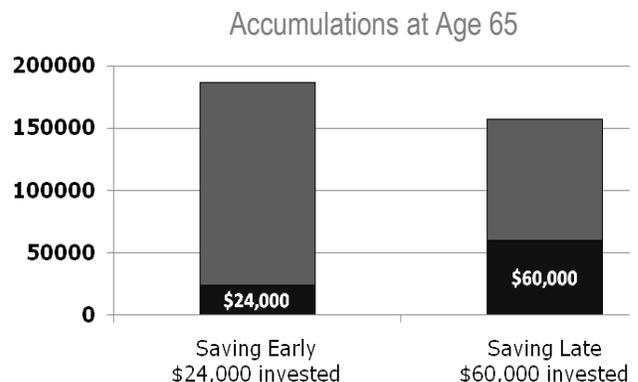


Make Time Your Ally: **Save Early!**

A modest investment made early can be worth more than a larger sum invested later. Here's an illustration:

If you invest \$200 per month between the ages of 30 and 40 (10 years) at a 7% growth rate, then simply let the earnings compound until you reach age 65, your initial \$24,000 will grow to \$186,725.

But suppose you wait until age 40 to begin saving: \$200 per month for 25 years, from age 40 to age 65, at 7%, will accumulate to only \$157,494, even though you invested \$36,000 (\$60,000 – \$24,000) more than in the previous example.



How to Get Started

- **Learn more about the Program.** The table below lists all of the available Investment Companies.
- **A Plan Services Representative** (Our 403(b) Plan Administrator) would be happy to answer your questions about how much you can contribute and what you could save in taxes.
- **Enroll with a company and choose your investments.** Your Local Representative can explain the different products and help you decide what's right for you. They will also happily help you complete all of the necessary paperwork.
- **Contribution Changes** You can change your contribution amount at any time. The change will take effect the next payroll.

Plan Services

56723 Glover Road
Pacific Jct, IA 51561

Phone: 712-527-5751

Fax: 712-527-5750

Investment Company	Contact Information
American Funds Service	800-421-0180
ING	800-262-3862
Reliastar	877-884-5050
Security Benefits	800-888-2461
AIG	877-638-4244
Ameriprise	800-862-7919
AXA Equitable	800-628-6673
Franklin Templeton	800-527-2020
Modern Woodmen	800-447-9811
New York Life	800-710-7945
Thrivent	800-847-4836
Horace Mann	800-999-1030
Transamerica	800-797-2643
North American	866-834-0012