



OCEAN VIEW SCHOOL DISTRICT  
Huntington Beach, California



## MEMORANDUM

Date: August 2019

To: All Employees

From: Administrative Services

Subject: Third Party Administrator for Supplemental Retirement Plans- SchoolsFirst Federal Credit Union

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Ocean View School District has designated SchoolsFirst Federal Credit Union (SFFCU) and National Benefit Services LLC as our Third Party Administrator (TPA) for supplemental retirement plans. As the largest educational credit union in the United States, SFFCU offers 403(b), 457(b) and 401(a) defined contribution plans. In this capacity SFFCU provides compliance services, monitors multiple investment providers, and meets the needs of school districts and their employees with the highest degree of service and integrity.

Having a third party retirement plan administrator, such as SFFCU, ensures that our employees' supplemental retirement plans are being maintained with regulatory compliance; and that we are up to date on any federal or state tax changes.

As Ocean View's TPA, SFFCU offers investment options, including [SchoolsFirst FCU/Nationwide Retirement Builder Plan](#), as well as a wealth of other state-approved investment provider options. However, there are other approved companies available to OVSD employees that offer plans for 403(b) and 457(b) products. These companies are listed on the 403(b) compare listing available at [www.403bcompare.com](http://www.403bcompare.com).

### What is a 403(b) Supplemental Retirement Plan?

A 403(b) plan is a way to supplement your retirement. For example, you can reduce your taxes while you build a secure retirement. The 403(b) is a tax-sheltered account developed by the IRS to encourage employees of educational institutions, and certain non-profit organizations, to save pre-tax dollars for retirement. A 403(b) plan provides a supplement to your pension plan.

A 403(b) plan works much like a traditional IRA:

- Contributions (up to certain limits) are pre-tax, reducing your current federal and state income taxes;
- Earnings on your investment build up tax deferred, giving you a much larger earnings than a similar taxable investment;
- You can take distributions without penalty after age 59 ½, but must start distributions at age 70 ½. These distributions are taxable at current tax rates as ordinary income;
- You can transfer your 403(b) plan to another eligible provider without IRS penalty; and

- You can take loans against your 403(b) while still employed. Loan repayment terms and interest rates are determined by your investment provider.

To learn more about why you should have a supplemental retirement plan or to get started with a retirement plan, you can meet with the SFFCU Retirement Plan Representative for Ocean View, Brittany Vu, at (800) 258-4000, ext. 4116, Option 1.

If you currently work with another financial advisor or comparable banking institution or company and you are interested in supplementing your CalSTRS or CalPERS retirement program with a defined contribution plan, a Salary Reduction Agreement (SRA) is available on the District's website as a link to SFFCU or can be obtained directly through SFFCU's website. If you currently contribute to a supplemental plan, you can make changes, rollovers, distributions, loans, etc., by obtaining the proper form by visiting the District's website or the SchoolsFirst website.

Please check the SFFCU website ([www.schoolsfirstfcu.org](http://www.schoolsfirstfcu.org)) and/or the OVSD website ([www.ovsd.org](http://www.ovsd.org)) regularly for updates.

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