

January 1 is the 403(b) Compliance Deadline—Is Your School District Prepared?

IRS regulation changes are forcing school districts to take more responsibility for plan recordkeeping and monitoring individual accounts for their 403(b) supplemental retirement plans. The IRS has given school districts until January 1, 2009, to ensure their 403(b) plans are in compliance with the new regulations.

How will this impact NEA members?

Due to the IRS changes, certain investment providers are leaving the 403(b) market and, in some cases, school districts are reducing the number of approved providers. This means fewer choices for members and that participants may have to find another provider.

Finding help

School districts should be acting now to select a third party administrator to help them with their new 403(b) plan compliance requirements. While it's now too late to get a plan in compliance by January 1, the IRS is expected to announce soon how districts can make corrections to their 403(b) plan, if they missed the compliance deadline.

Security Benefit, provider of the NEA Valuebuilder[®] Program, offers a competitively-priced compliance service called 403(b) PlanSolutions[®]. The service offers independent third party administration and common remitting, and does not require districts to limit the number of providers in their plan. Security Benefit can help districts that are still looking for a compliance service.

What can NEA members do?

Local association leaders and individual NEA members can help by checking with school district business officials to make sure they are working toward IRS compliance. Members should also inquire to be certain the NEA Valuebuilder Program will still be available as an option for members in their district after January 1, 2009.

Districts that are still looking for a compliance service should contact Security Benefit immediately to discuss using 403(b) PlanSolutions. Members can refer district business officials to their NEA Member Benefits regional representative or Security Benefit may be contacted directly at 1-800-747-5164, option 4.

You should carefully consider the investment objectives, risks, and charges and expenses of the mutual funds and variable annuities available under the NEA Valuebuilder Program before investing. You may obtain a prospectus that contains this and other information about the mutual funds and variable annuities by calling our National Service Center at 1-800-NEA-VALU (632-8258). You should read the prospectus carefully before investing. Investing in variable annuities and mutual funds involves risk and there is no guarantee of investment results.

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