



## 403(B) SMART ACCOUNT

# How to Enroll or Change Your Contributions

The Fund's 403(b) Smart Account is a great place for Y employees to save for retirement. You can start contributing at any time, make changes as needed, or stop making contributions whenever you choose.

- ☒ Determine how much you would like to contribute
- ☒ Complete the 403(b) Smart Account form
- ☒ Return the signed form to your Y's Human Resources Department

### It's an Easy and Safe Way to Save

- Contributions are made through payroll deduction. Account balances have never gone down since the Fund was established in 1922!

### It's Flexible

- If you leave the Y, you can roll over your account to another employer plan or IRA without incurring any current tax liability.

### You Can Access Your Funds

- While you are working for the Y, you can borrow from your Savings Plan. All interest is paid back to your Account. Also, if you find yourself in a financial hardship, you may be eligible to withdraw your funds while you are still employed.

### You Can Defer Your Taxes

- You pay Social Security and Medicare taxes on the amounts you save, but you will not pay federal income tax on those amounts or their earnings, until you retire or withdraw them.

### It Has a Favorable Annuity

- If you saved more than \$5,000 in a 403(b) Smart Account, at retirement you are eligible to receive a lifetime annuity from the Fund at a favorable rate. Commercial annuity conversion rates typically are in the 2-3.5% range. The Fund's annuity conversion rate is 7%.

### How Much Can I Save?

Federal law puts limits on the total amount that can be contributed to your retirement savings each year. In 2015, you can save 100% of your compensation, or \$53,000, whichever is less. If you turn age 50 or older, you may "catch-up" by saving an additional \$6,000 tax deferred.

<b>2015 FEDERAL CONTRIBUTION LIMITS</b>	<b>Total Contributions</b>	100% of your compensation* or <b>\$53,000</b> (whichever is less)
	<b>Age 50+ Catch-Up</b>	<b>\$6,000</b>

*\*The IRS Code limits includable compensation to \$265,000*

<b>2015 TAX-DEFERRED CONTRIBUTION LIMITS</b>	<b>Tax-Deferred Contributions Maximum</b> (individual limit from all salary reduction retirement plans)	<b>\$18,000</b>
	<b>15+ Years of Service Catch-Up*</b> (increases tax-deferred contribution maximum)	<b>\$3,000</b>
	<b>Age 50+ Catch-Up</b> (increases both total and tax-deferred contribution maximum)	<b>\$6,000</b>

*\*The 15+ Years of Service Catch-Up amount is based on years of YMCA service and can be as much as \$3,000 but is limited based on how much you've contributed in the past. Call Customer Service at 1-800-RET-YMCA for more info about your eligibility.*

## 403(B) SMART ACCOUNT

*This form should be used to open, change, or decline a 403(b) contribution amount. This request will replace any previous request.*

### Employee Authorization

☐ Male   ☐ Female   
 ☐ Single   ☐ Married   ☐ Divorced   ☐ Widowed

First Name \_\_\_\_\_ Middle \_\_\_\_\_ Last Name \_\_\_\_\_ Date of Birth (mm/dd/yyyy) \_\_\_\_/\_\_\_\_/\_\_\_\_

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Name of your YMCA \_\_\_\_\_

Job Title \_\_\_\_\_ Date of Hire (mm/dd/yyyy) \_\_\_\_/\_\_\_\_/\_\_\_\_ Social Security Number \_\_\_\_\_

- Choose one:
- ☐ a contribution of \_\_\_\_\_ % of my salary, **per pay period** to begin on \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/yyyy)
- ☐ a contribution of \$ \_\_\_\_\_ **per pay period** to begin on \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/yyyy)
- ☐ a one-time contribution of \$ \_\_\_\_\_ **from my paycheck** on \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/yyyy)
- ☐ **I decline to participate in the 403(b) Smart Account**

I understand that these funds are for use as an annuity at retirement or a distribution upon termination of employment in accordance with the terms of the Savings Plan. In the event of my death prior to retirement or termination, my account balance will be paid to my named beneficiary(ies).

If I authorize a contribution to the 403(b) Smart Account, by signing here I agree to the *Salary Reduction Agreement* detailed below. I understand that if I am not yet a participant in the Retirement Plan, once I become enrolled in the Retirement Plan and the YMCA starts making contributions on my behalf, this may reduce the amount I am eligible to contribute to my 403(b) Smart Account.

#### EMPLOYEE SIGNS

\_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_/\_\_\_\_/\_\_\_\_

### YMCA Authorization (Human Resources Department)

(Name of YMCA) \_\_\_\_\_ (YMCA #) \_\_\_\_\_ agrees to the terms of the Salary Reduction Agreement below and will send the YMCA Retirement Fund the stated employee's contribution for his/her 403(b) Smart Account.

#### LOCAL PLAN ADMINISTRATOR SIGNS

\_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_/\_\_\_\_/\_\_\_\_

**Keep this completed form at your YMCA. Do not send it to the Fund. Use YERDI to process all 403(b) Smart Account contributions.**

#### Salary Reduction Agreement

*This salary reduction agreement enables a YMCA employee to make pre-tax contributions (excluding Social Security and Medicare taxes) to the YMCA Retirement Fund Tax-Deferred Savings Plan ("Savings Plan") to be allocated to his or her Savings Plan account ("Account").*

We, (participating YMCA and employee), agree that the employee's compensation (as defined in the Savings Plan) will be reduced as stated on this form. The voluntary contributions will be contributed to the employee's Account in the Savings Plan. Salary reductions apply only to compensation earned after completing this agreement and cannot be retroactive. Employees are always vested in their Account.

Contributions made under this agreement are not subject to federal income tax until distributed and may not exceed federal contribution limits. Any contributions over the limit will be returned to the employee and will be part of taxable compensation. Contributions are not reported as a part of "wages, tips, other compensation" subject to federal income tax on the par-

ticipant's IRS Form W-2 (however, they will be reported elsewhere on the form). Contributions are subject to Social Security taxes, and may be subject to state income tax. Responsibility for withholding and reporting any state income tax rests with the YMCA.

Changes in contributions of a set dollar amount each payroll period will require that a new form be completed by both the YMCA and the employee. If the contributions are based on a percentage of compensation, there is no need to fill out a new form for compensation changes, unless the participant so chooses.

The IRS permits pre-tax saving as a method of building savings for retirement. There are no withdrawals while working for the YMCA except in the case of personal hardship as provided under federal law. Hardship withdrawals are subject to regular income tax and an early withdrawal penalty tax if the employee is not 59½.

If the participating employee leaves the YMCA, they may leave their Account in the Savings Plan to grow with interest until they begin retirement benefits. Inactive participants with Account balances of \$5,000 or less may be subject to an immediate distribution or mandatory rollover as provided under Savings Plan terms and as permitted by federal law. If they withdraw their tax-deferred money, they may roll it over to another eligible employer plan or IRA without tax consequences. However, if they do not roll it over, it is subject to regular income tax and usually an early withdrawal penalty tax if they are not 59½.

This agreement shall continue indefinitely unless the employee chooses to terminate it. It can be revoked by the employee at any time, although contributions will stop at the end of the payroll cycle. Termination of employment terminates this agreement and re-employment requires re-application to open an Account.

This agreement is not an employment contract, and creates no rights to continued employment by the YMCA.

