













**SAN JUAN UNIFIED SCHOOL DISTRICT
EMPLOYEE FINANCIAL OPPORTUNITIES 2018**

	Section 125	Tax Sheltered Annuity 403(b)	Tax Sheltered Annuity 457
Description	The Section 125 Cafeteria Plan allows employees to withhold a portion of their salary on a pre-tax basis to cover qualifying insurance premiums, medical expenses and dependent care.	A 403(b) plan is a voluntary tax-deferred retirement savings plan. Contributions are invested in an annuity and income taxes are paid when withdrawn.	A 457 plan is very similar to a 403(b) retirement plan. Voluntary contributions are invested on a pre-tax basis.
Annual Contribution Limit	\$2,650	\$18,500 \$24,500 (over age 50)	\$18,500 \$24,500 (over age 50) \$37,000 (within 3 year of retirement)
Tax Benefit	Reduces Federal and State Income Tax	Defers Federal and State Income Tax until withdrawn. Reduces Social Security and Medicare taxes.	Defers Federal and State Income Tax until withdrawn.
Early Withdrawal IRS Penalty Tax	Not applicable	10% penalty tax may apply under age 59.5	No penalty (normal income tax only)
Third Party Administrator	American Fidelity 	National Benefit Services 	National Benefit Services 
Approved Advisors on Campus	American Fidelity 	Ameriprise  Plan Member Services  Teacher's Pension 	Ameriprise  Plan Member Services  Teacher's Pension 
Education Opportunities	American Fidelity will contact each site to schedule appointments.	Agents from the three firms listed above will contact sites to schedule appointments. The district will also schedule district-wide education meetings.	Agents from the three firms listed above will contact sites to schedule appointments. The district will also schedule district-wide education meetings.