

Community Living 2020 403(b) Retirement Plan Highlights

Welcome to your employer's 403(b) Retirement Plan, an opportunity to build retirement savings on a tax-deferred basis. You are immediately eligible, from your date of hire, to establish an account and begin contributing (deferring) to your 403(b) retirement account. **As of January 1, 2020, you may contribute up to \$19,500 and as much as \$26,000 if you are at least age 50 in 2020.** You may roll over to your new 403(b) retirement account contributions from other retirement accounts, such as 401(k), pension, IRA and other 403(b) accounts. Please note that rollovers must be properly executed to avoid Federal tax penalties. Please refer to your Summary Plan Document for further information.

All of your contributions are made before taxes are withheld, so you will immediately defer current Federal and State income taxes. A rule of thumb is that you will save at least \$20 (or as much as \$40, depending on your tax bracket) in current income taxes for every \$100 you contribute. Consequently, when you contribute \$100, your take-home pay will show a reduction of only about \$80 (as low as \$60 if you are in a high tax bracket). Taxes on amounts deferred and any earnings, will be due upon distribution, and any distributions made prior to age 59 ½ may be subject to an additional 10% Federal tax penalty.

Basic Highlights and/or Requirements of your plan are:

1. You are immediately eligible to begin saving (deferring) your own funds.
2. You are eligible for the employer match starting in any January or July that follows completion of one year of service if you work at least 20 hours per week. Your employer will match \$1.00 for each \$1.00 that you contribute, to a maximum of 5% of your standard compensation. – (The information regarding your employer's matching program is taken from sources believed to be reliable and is subject to change. Please refer to your Summary Plan Document for more complete information).
3. Loans are available for any reason; minimum is \$1000 – limited to 50% of your account. There is \$35 setup fee.
4. Your account is completely portable at termination of employment

**** Please refer to your Summary Plan Document for further information. ****

Each participant in the plan needs to make a few basic decisions. First, when do you wish to begin contributing to your 403(b) Retirement Account? Secondly, how much per pay period? Third, which combination of investment options best meets your financial objectives? Fourth, who should be named as beneficiaries of your account? (Your beneficiary will always receive, in the event of your death, the higher of your account's market value or the total of all deposits, less any withdrawals or outstanding loan balance). Guarantees are backed by the claims-paying ability of the insurer.

We can help you answer these questions when you attend one of our enrollment/education meetings. If you are not able to attend a meeting, feel free to call us for a personal consultation, either by phone, at your office, or at our Gaithersburg office.

Sincerely,

Sarah Burton, CRPC®

Variable annuities are long-term investment products designed particularly for retirement purposes and are subject to market fluctuation, investment risk and possible loss of principal. Variable annuities contain both investment and insurance components, and have fees and charges, including mortality and expense, administrative and advisory fees. Optional features are available for an additional charge. The annuity's value fluctuates with the market value of the underlying investment options, and all assets accumulate tax-deferred. Withdrawals of earnings are taxable as ordinary income and, if taken prior to age 59 ½, may be subject to an additional 10% federal tax. Withdrawals will reduce the death benefit and cash surrender value. There is no additional tax-deferral benefit for an annuity contract purchased in an IRA or other tax-qualified plan. Multi-Fund® variable annuities (contract numbers 18829, 18831, 25982, 28645, 28883, 30070-B, and state variations) are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial. There is no additional tax-deferral benefit for an annuity purchased in an IRA or other tax-qualified plan. CRN-1991124-011018