

September 2010

## CAMBRIDGE PUBLIC SCHOOLS 403(b) PLAN

Cambridge Public Schools (CPS) offers a 403 (b) Plan to its employees. A 403(b) Plan, also known as a tax sheltered annuity plan, is a tax-advantaged retirement savings plan available to employees of public education organizations. As an employee of CPS, you may establish a 403(b) account with one of the insurance or investment companies on the CPS list of vendors and elect to have a portion of your salary deferred on a pre-tax basis through the 403(b) plan. These contributions and any investment income earned will continue to be tax deferred until the money is taxed as income when withdrawn from the plan.

CPS has contracted with PenServ Plan Services Inc, an experienced third party administrator, to manage the CPS plan. PenServ is responsible for collecting the required data from the plan's insurance and investment companies, approving payments from participant accounts, and monitoring contributions for compliance with IRS regulations. The PenServ website provides a secure portal for participants to enroll, make changes to deduction amounts and view account information. Customer support and assistance is provided through a toll-free number as well as the web site. You may contact PenServ customer service (800-849-4001) with any questions you have about your 403(b) account. Please note that PenServ does not provide any investment advice or recommendations about which vendor to choose.

Enrollment in the 403(b) plan is a **two-step process**: First, you must contact an agent or broker for one of the investment or insurance companies on the CPS list of active vendors (included in this notice) to set up an account. Second, you must complete the on-line enrollment with PenServ in order to initiate the payroll deduction. It is important that you complete both steps in order to ensure the timely investment of your contribution. Although your broker/agent may have you complete a Salary Reduction Agreement form, enrollment through PenServ is the only way to initiate a payroll deduction. If you do not have access to a computer, please contact PenServ customer service at 800-849-4001.

After you are enrolled, any changes to the amount you wish to contribute to your 403(b) account may be done by you on-line via the PenServ website. Requests for loans or hardship distributions must be made to PenServ. PenServ will facilitate the collection of information from your current and prior investment providers, and will make the determination of your eligibility for a loan or hardship distribution in accordance with IRS guidelines.

## INSTRUCTIONS FOR ON-LINE ENROLLMENT AND ACCOUNT ACCESS

All participants in the CPS 403(b) plan have on-line access to their account information. Through the PenServ website, you will be able to view account balances, review transaction history and download forms. You will also be able to update personal information, perform transactions such as exchange monies between investment providers and rollover funds to another account.

FOR ASSISTANCE: 800-849-4001      403bservice@penserv.com

### I. Access the PenServ Secure Website

1. Type the plan website address into your browser: <https://www.penserv.com/login>
2. Select: First Time Visitor?
3. Enter: Your social security number
4. Enter the Plan Access Code: **camb9971**

### II. Complete Steps 1-4 of Enrollment Process

⇒ STEP 1: ENTER YOUR PERSONAL INFORMATION. Items marked with an (\*) must be completed before you can proceed to the next step.

- Username and Password information. For security purposes, your password must contain both letters and numbers. Do not use sequential numbers or letters (i.e. 123 or abc), your name, SSN or symbols (i.e. @, !, &) in your password.
- Verification question. This code is used as an identifier in case you forget your account password or need assistance from a participant services representative.
- Email address: Required for communication purposes and notification of changes applied to your account.

⇒ STEP 2: SELECT DEFERRAL ELECTIONS. This window allows you to select the amount to contribute each pay period. Annual limitation information is also provided.

- Enter the salary deferral amount to be applied to each paycheck.

⇒ STEP 3: SELECT INVESTMENTS FOR YOUR CONTRIBUTIONS. Please note that once you have completed the enrollment process, you can always change your investment election.

- *Important:* Select only those investment providers with whom you already have an account established. If you wish to add additional investment provider, you must contact a broker or agent to complete the necessary paperwork required to set up an account with that vendor.

⇒ STEP 4: REVIEW AND CONFIRM YOUR ENTRIES. Please review the information you provided for the plan. Be certain to check the entries carefully as this data will be used to establish permanent plan records and access to your account.

You may access your account through the Plan's website at any time using your username and password. If you elected to receive email confirmations, you will receive confirmation of your enrollment at the email address entered during the enrollment process.

**CPS 403(B) PLAN INVESTMENT PROVIDERS AS OF OCTOBER 2009**

The following investment providers have executed information-sharing agreements with the Cambridge Public Schools 403(b) Plan to provide compliance data in accordance with IRS guidelines.

<b>ACTIVE VENDORS</b>	
<b>Insurance or Investment Company</b>	<b>Contact</b>
American Funds-R4 Investments	800-849-4001
Ameriprise Financial Services Inc.	New customers: 877-267-7418 Existing Customers: 800-862-7919
AXA Equitable Life Insurance Company	Brandon Eigenberg 781-237-8227 or 866-786-0856
Commonwealth Annuity and Life Insurance Co.	www.commonwealthannuity.com
Great American Financial Resources	Lisa Tursi 508-877-8555 or 888-497-8556
Horace Mann Life Insurance Company	Richard Bono 781-444-6280 or 800-999-1030
ING Life Insurance & Annuity Company	David Nathanson 800-654-8065
Lincoln Investment Planning	Jason Levine 781-647-3050 or 800-608-3937
Mass Mutual Life Insurance Company	800-743-5274
MetLife	Kelly Woerdeman 774-253-2338
MetLife of Connecticut	800-638-5433/ www.metlife.com/mir
Oppenheimer Funds	800-835-7305
Security Benefit	www.securitybenefit.com
Variable Annuity Life Insurance Company (VALIC)	800-448-2542
Waddell & Reed Inc.	Paul Sauerbrenn 781-933-2067 or 888-923-3355

**Disclosure to employees:** The Cambridge Public School system has no liability for the employees' selection of product providers. The Cambridge Public School system does not warrant any special tax consequences to the employee, and does not give tax, legal or investment advice. The school system recommends that employees seek advice from professionals who specialize in these areas.