



## SAVING: IT ALL ADDS UP

# Open a 403(b) Smart Account today!

Whatever your age, length of YMCA service, hours worked, or eligibility in the Retirement Plan, you may open a 403(b) Smart Account at any time during your YMCA employment.

### Why Should I Save?

Financial planners recommend that you save at least 15% of your salary toward retirement each year throughout your career in order to retire comfortably. If you participate in the Retirement Plan, you're partway there. Saving in a 403(b) Smart Account will make up the rest. It will also allow you to:

- **Defer Your Taxes**

By saving in this account, you reduce your taxable income. You pay Social Security and Medicare taxes on the amounts you save, but you will not pay federal income taxes on those amounts, or on their earnings, until you retire or withdraw them.

- **Borrow from Yourself, and Pay Yourself Back**

While you are working for the Y, you can borrow from your accounts in the Savings Plan (403(b) Smart Account and Rollover Account). For more information, visit our website, [www.yretirement.org](http://www.yretirement.org).

- **Be Flexible**

You can adjust your contribution amount at any time—start saving now and increase when possible. If you choose a different career path, you can transfer your account to a new qualified retirement plan.

### How Much Can I Save?

Federal law puts limits on the total amount that can be contributed to your retirement savings each year. In 2013, you can save 100% of your compensation, or \$51,000, whichever is less. If you turn age 50 or older you may “catch-up” by saving an additional \$5,500 tax deferred.

|   |                            |   |
|---|----------------------------|---|
| <b>2013<br/>FEDERAL<br/>CONTRIBUTION LIMITS</b> | <b>Total Contributions</b> | 100% of your compensation* or <b>\$51,000</b> (whichever is less) |
|   | <b>Age 50+ Catch-Up</b>    | <b>\$5,500</b>  |

*\*The IRS Code limits includable compensation to \$255,000*

|  |  |                 |
|--|--|-----------------|
| <b>2013<br/>TAX-DEFERRED<br/>CONTRIBUTION LIMITS</b> | <b>Tax-Deferred Contributions Maximum</b><br>(individual limit from all salary reduction retirement plans) | <b>\$17,500</b> |
|  | <b>15+ Years of Service Catch-Up*</b><br>(increases tax-deferred contribution maximum)                     | <b>\$3,000</b>  |
|  | <b>Age 50+ Catch-Up</b><br>(increases both total and tax-deferred contribution maximum)                    | <b>\$5,500</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

Once you complete this form, please return it to your YMCA's Human Resources Department.

Employee Authorization

Male Female Single Married Married to Same Gender Spouse Widowed Divorced

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

I authorize (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 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 Plan.

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)

Please tell us how you learned about the advantages of a 403(b) Smart Account: Email from the Fund Fund Website Fund Facebook Page Fund Presentation Benefits Statement YMCA HR Department/Leadership Staff at the Y Fund Customer Service Representative Other

YMCA Authorization

(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 on record at your YMCA and do not send it to the Fund. Use YERDI to open, adjust or end 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 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 participant'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 59 1/2.

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 59 1/2.

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.



KEEP A COPY FOR YOUR RECORDS

