



HOUSTON INDEPENDENT SCHOOL DISTRICT

Hattie Mae White Educational Support Center
4400 West 18th Street • Houston, Texas 77092-8501

www.HoustonISD.org
www.twitter.com/HoustonISD

January 13, 2020

Dear HISD Employee:

All active employees are eligible to participate in the voluntary 403b and 457 retirement plans sponsored by the Houston Independent School District (HISD). You may contribute to the 403b or 457 plan contracts with one or more providers offering annuity or mutual fund accounts and listed on the enclosure. The voluntary retirement plans are funded by employee contributions only and no contributions are made by HISD.

What is a 403(b)?

The 403b plan is a personal retirement account that all active HISD employees may establish to save pre-tax income directly from your paycheck. Your plan funds accumulate tax-deferred interest or investment earnings until withdrawn. Tax deferral allows more money to grow until retirement.

The HISD 403b plan also allows after-tax Roth contributions. Roth 403b earnings and interest are not taxed while they remain in the contract. Withdrawal of contributions and earnings are tax-free when made both; after the employee attains age 59 ½, and after the Roth 403b account has been open at least 5 years. Speak with the 403b provider(s) of your choice to discuss if the 403b pre-tax, or the after-tax Roth account is right for you.

What is a 457?

The 457 plan is a deferred compensation plan with similar tax advantages and contribution limits as the 403b plan. The 457 plan offers pre-tax savings directly from your paycheck. Three financial service providers are available to open contracts for HISD employees. Eligible providers are on the enclosed providers list under the '457 Contract Provider' heading.

The HISD 457 plan also allows after-tax Roth contributions. Roth 457 earnings and interest are not taxed while remaining in the contract. Withdrawal of contributions and earnings are tax-free when made both; after the employee attains age 59 ½, and after the Roth 457 account has been open at least 5 years. Speak with the 457 provider(s) of your choice to discuss if the 457 pre-tax, or the after-tax Roth account is right for you.

2019 & 2020 - IRS maximum contribution limits:

	2019	2020	
403b Employee Contribution Limit	\$19,000	\$19,500	
403b Annual Contribution Limit	\$56,000	\$57,000	¹
457 Employee Contribution Limit	\$19,000	\$19,500	²
Age 50 Catch-Up Contribution Limit	\$6,000	\$6,500	³

¹ 2019 & 2020 IRS combined employee and employer limits. HISD makes no employer matching contributions.

² The 457 plan limits are in addition to the 403b plan limits.

³ The age 50 catch-up contributions may be used in both the 403b and 457 plans.



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Page 2

Enrollment is Easy!

You may start or change your voluntary retirement savings at any time in three easy steps!

Step 1: Contact a financial services company from the active providers list and ask to open an HISD 403b or 457 retirement plan account. You may discuss both fixed and variable investment options and plan information with the financial services representative or agent. You must complete and sign the vendor's applicable forms to establish your account.

Step 2: Once the retirement account is established, you must create a login to the Retirement Manager system at: www.myretirementmanager.com. Retirement Manager is the HISD retirement plan administration website.

Step 3: Upon login to Retirement Manager, you may choose your contribution amount per payday and select your financial services provider(s). Contributions will be automatically deducted from your paycheck and sent to your selected provider(s).

Congratulations if you already contribute to a 403b or 457 retirement account! You have taken a great step towards supplementing your TRS or other retirement income. Consider reviewing your retirement accounts and increasing your contributions from year to year. You may also want to utilize your provider's online tools or retirement resources to track progress toward your retirement goals. If you don't have an account, contact a provider today to get started - it's never too early or too late to plan your retirement.

The HISD Voluntary 403b and 457 Retirement Plan documents and information are on the HISD webpage at www.houstonisd.org; click the 'Directory' tab and select 'Benefits', then scroll to select 'Benefits Support', then "403b and 457 Voluntary Retirement Savings". You may also learn about 403b and 457 retirement plans at www.irs.gov and search for Publication 571.

You can review each eligible providers' list of fees by visiting their individual websites or requesting this information from the providers' representatives. Please direct general retirement plan questions to the HISD Retirement Storefront at 713-695-5561.

Sincerely,

A handwritten signature in black ink that reads "Grenita Lathan".

Dr. Grenita Lathan
Interim Superintendent of Schools

GL:ty

Enclosure