



All CMCSS employees have the option to choose between a 403b retirement plan with MetLife or a 401k retirement plan with Empower/RetireReadyTN. The addition of the 401k retirement plan was implemented due to the new State plan that went into effect July 1, 2014 for all newly hired Certified (teachers) staff. The 403b and 401k allows employees to supplement their Tennessee Consolidated Retirement Plan (TCRS). The Board of Education does not match any amount contributed by the employee to the 403b; this is a 100% employee contribution plan.

### **Metlife Financial Consultants**

**Bailey Martin** [bailey@jackturner.com](mailto:bailey@jackturner.com)

Phone: (931) 552-1515

Alternative School, Barkers Mill ES, Barksdale ES, Carmel ES, Central Services-Gracey, Central Services-South, Clarksville HS, East Montgomery ES, Glenellen ES, Greenwood complex, Hazelwood ES, Kirkwood complex, Middle College, Moore Magnet ES, Norman Smith ES, Northeast complex, Oakland ES, Operations, Richview MS, Transportation, Virtual, West Creek complex

**Ron Sample** [rsample@strategicfinancialpartners.com](mailto:rsample@strategicfinancialpartners.com)

Phone: (931) 553-4050

Liberty ES, Minglewood ES, New Providence MS, Northwest HS, Rossvieview complex, Sango ES, St. Bethlehem Early Learning Center, Woodlawn ES

**Bobby Yingling** [byingling@strategicfinancialpartners.com](mailto:byingling@strategicfinancialpartners.com)

Phone: (931) 436-2143

Byrns Darden ES, Cumberland Heights ES, Kenwood complex, Montgomery Central complex, Onsite, Pisgah ES, Ringgold ES

### **Empower/RetireReadyTN**

**Empower Customer Service:** 1-800-338-4015

<https://www.retirereadytn.gov>

Click on *Log in to my 401(k)/457 accounts*

**Ben Straley**, Retirement Plan Advisor (Your contact when you are approaching retirement)

(615) 564-7005

[ben.straley@empower-retirement.com](mailto:ben.straley@empower-retirement.com)



## **What is a 403b and 401k?**

The 403b and 401k are tax deferred retirement plans available to employees of CMCSS. Participants contribute to either annuity contracts (TSA) with insurance companies or directly with mutual fund companies. Contributions and investment earnings grow tax deferred until withdrawal (assumed to be retirement); at which time they are taxed as ordinary income. There is also a Roth 401(k) option under the 401(k) plan that allows employees to supplement any existing retirement and pension benefits by saving and investing after-tax dollars through voluntary salary deferral.

## **Why contribute to a 403b or 401k?**

1. To supplement your TCRS pension. Contributing to either of these retirement plans can provide a healthy supplement to a pension.
2. Lower Taxes – 403b and 401k contributions are made on a pre-tax basis which can greatly reduce your tax bill. All dividends, interest and capital gains accumulate on a tax-deferred basis. This means your earnings will grow tax-free until time of withdrawal.

## **How does a 403b or 401k plan work?**

You set aside money for retirement on a pretax basis through a salary reduction agreement with CMCSS. You will meet with a financial consultant who will review the products that are available to you. At this time, you will also determine the appropriate amount of money that will be deducted from your paycheck. You will sign a payroll deduction agreement; the financial consultant will turn this agreement to CMCSS. CMCSS will ensure that your payroll deduction is sent to the correct financial institution on a monthly basis. You will receive monthly financial statements from the annuity or mutual fund company; these statements will be mailed directly to you.

## **Can I leave my money in the plan indefinitely?**

No. Generally you must begin to take withdrawals no later than April 1 of the year following the year in which you turn age 70 ½.

## **How will distributions from my 403b or 401k be taxed?**

In most cases, the payments you receive, or that are made available to you from a 403b or 401k are taxable in full as ordinary income.

## **How much can I contribute annually?**

The elective deferral limit for 2024 is \$23,000. If you are 50 or older, you may contribute an additional \$7,500. The elective deferral limit for 2025 is \$23,500. If you are 50 or older, you may contribute an additional \$7,500. \*Beginning January 1, 2025, SECURE 2.0 (Section 109) provides an increase catch-up limit for participants ages 60-63. For 2025, this increased catch-up contribution limit is \$11,250.