



NEWBURYPORT PUBLIC SCHOOLS
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Office of the Superintendent

TO: All Newburyport Public School Employees
FROM: Deirdre Farrell, Assistant Superintendent
DATE: December 15, 2008
RE: IRS Required Changes to 403(b) Plans

Effective January 1, 2009, new IRS regulations regarding processing 403(b) payroll deductions must be implemented. All school districts across the country must now follow these new IRS regulations.

In order to ensure that Newburyport Public Schools is in compliance with these new requirements, we have hired a "Third Party Administrator" (TPA) to provide Common Remitter and Compliance Services for our 403(b) plan. Our TPA is CPI Qualified Plan Consultant, Inc. Newburyport Public Schools is covering all associated costs with the new requirement in order to ensure a smooth transition.

CPI will be assisting the School District starting with the remittance of contributions to the investment vendors. They will also test limits allowed by the IRS and provide a compliance umbrella that ensures loans; hardship withdrawals and transfers are made correctly, according to IRS regulation.

What does this mean to me?

All employees have the right to participate in Newburyport Public School's 403(b) plan.

If you are not currently participating and wish to elect to start 403(b) contributions, contact Nancy Lysik at 978-465-4456.

If you are currently participating in 403(b) payroll deductions, the investment vendor that you use **must** be "approved". Vendors are approved by providing and signing an Information Sharing Agreement (ISA) with our third party administrator, CPI. **If an investment vendor does not sign an Information Sharing Agreement, the Newburyport Public Schools cannot deduct 403(b) contributions through payroll.** This will take effect starting on January 1st, 2009. As of December 15, 2008, the approved investment vendors are:

Approved Investment Vendors

Ameriprise Financial Services, Inc.
AXA Equitable
Great American Financial Resources, Inc.
Horace Mann Companies
Lincoln Investment Planning, Inc.
New York Life Ins. & Annuity Corp
MetLife
Oppenheimer Funds
Security Benefit Group of Companies
Variable Annuity Life Ins. Comp. (VALIC)

If you do not see your investment vendor listed above, you must choose an approved investment vendor for 403(b) payroll deductions. If you do not choose another vendor, your 403 (b) payroll deductions will cease effective January 1st, 2009. According to the new IRS regulations, Newburyport Public Schools cannot deduct 403 (b) contributions from an unapproved investment vendor.