

Sometimes areas of the financial realm such as retirement savings can be confusing. So, we wanted to provide you the answers to some of the more frequent questions we are asked. You will find answers to questions ranging from opening an account to reaching retirement and withdrawing your funds.

FREQUENTLY ASKED QUESTIONS

WHAT IS A 403(b) AND WHY IS IT A GOOD IDEA TO CONTRIBUTE TO ONE?

403(b) retirement plans are a great way to start saving for your retirement. 403(b) is a supplemental retirement plan, much like the public sector's 401(k), that allows you to save additional funds in conjunction with your state retirement. Each pay period, contributions are withheld from your paycheck (amount elected by you) and submitted into your 403(b) account. This allows your investment earnings to grow tax-deferred until withdrawal and allows you to take advantage of a savings tax credit. You do not pay income tax on allowable contributions until you begin making withdrawals from the plan, usually after you retire or have reached a certain age to withdraw funds. Allowable contributions to a 403(b) plan are either excluded or deducted from your income.

HOW DO I OPEN A 403(b) ACCOUNT?

Good news, you can enroll with a 403(b) year-round! The best way to start is by visiting our website at www.ffga.com. From the homepage, under "Login>Individuals>" click "Retirement Plan Information" then enter employer name. This will allow you to:

- View a list of available investment providers in your employer's plan and their phone numbers
- Search for 403(b) agents
- Locate the FFGA Salary Reduction Agreement (SRA) and other forms
- View employer plan options regarding transactions, contributions, contacts, etc.

Steps to open an account and start contributions

1. **Decide what investment company from the list of authorized providers, you would like to contribute to.** Contact the company for instruction or if you are unsure, use the agent search tool on our website to find an agent that can help you decide.
2. **Establish an account with a provider** with the help of your agent.
3. **Complete the Salary Reduction Agreement**, once your account is established, and fax the form to 866-265-4594. This form allows your employer to withhold 403(b) contributions from your paycheck, which will be sent to the investment company of your choice.

Please note: Completing a Salary Reduction Agreement does not open your retirement account. You must also contact the vendor to establish an account prior to completing a Salary Reduction Agreement.

First Financial Administrators, as your employer's Third-Party Administrator, has Retirement Specialists that can help you at any point in your process, just give us a call at 1-800-523-8422 and we will be happy to help.

HOW MUCH MAY I CONTRIBUTE PER YEAR?

2025 contribution limits allow you to max out at \$23,500 if you are 49 years or younger. If you are age 50 or older, you are eligible to make “catchup contributions” making your maximum amount per calendar year \$31,000. If you are age 60-63, you are eligible to make “super catch-up contributions” making your maximum amount per calendar year \$34,750.

MAY I ROLLOVER/TRANSFER FUNDS FROM AN OLD EMPLOYER’S PLAN TO MY 403(b)?

Yes, if your employer’s plan allows for rollovers and transfers into the plan. Check our website to see what your employer offers on the plan.

MAY I ROLLOVER/TRANSFER MY FUNDS TO ANOTHER ACCOUNT SUCH AS A 401(k), IRA, 457, ETC.?

Yes, if your employer’s plan allows for rollovers and transfers, and you have met a qualifying event, you may move your funds to another qualified plan. Check our website to see what your employer offers on the plan.

MAY I STOP OR CHANGE MY CONTRIBUTIONS?

In order to make changes to your contributions, you will need to fill out and submit a Salary Reduction Agreement (the same form used to start contributions). You may stop, increase, or decrease at any time during the year according to your employer’s payroll schedule and the date changes are due for each pay date. You may give us a call at 1-800-523-8422 or visit our website at www.ffga.com to determine the due dates for your employer.

MAY I WITHDRAW MONEY IN THE CASE OF A FINANCIAL HARDSHIP?

Hardship distributions allow you to withdraw funds from your 403(b) (if allowed in your employer’s plan) if you have a financial need that cannot be met by other reasonably available resources for the following reasons:

- Medical Bills
- College Tuition for you or a qualified dependent
- Purchase of a Primary Residence
- Eviction/Foreclosure
- Funeral Expenses for spouse, child, dependent or parents

**These expenses must be unpaid at the time of request in order to be approved for a Hardship Distribution.
Your expenses cannot be reimbursed.**

WHEN MAY I RECEIVE A DISTRIBUTION?

Keep in mind that 403(b) plans are intended as a savings for retirement and should not be viewed as a simple savings account. For this reason, the IRS has certain “qualifying events” in order to withdraw your funds from a 403(b), like many other retirement accounts. However, if your employer’s plan allows, you may take a loan or a hardship distribution (IRS guidelines apply), if the need arises. Please be sure to seek advice from your tax advisor before proceeding with any transaction.

QUALIFYING EVENTS

1. Severance from employment
2. Over age 59 ½
3. Disability
4. Death
5. Hardship (guidelines apply)
6. Qualified Birth or Adoption (QBAD)
7. Permissive Service Credits
8. Federal Disaster
9. Domestic Abuse