



# Carruth Compliance Consulting

Specializing in 403(b) TSA & 457(b) DCP Compliance Assurance and Plan Administration

Carruth Compliance Consulting (CCC) is the Third Party Administrator for your Employer's 403(b) Plan. For information regarding the 403(b) supplemental retirement plan, please visit CCC at [www.ncompliance.com](http://www.ncompliance.com).

You will find valuable information on the website, including:

- *Why participate in the plan*
- *How to enroll*
- *Questions to ask when choosing investments*
- *Information to consider when selecting a financial advisor*
- *Plan transactions*

Examples of information available at [www.ncompliance.com](http://www.ncompliance.com):

## Life Planning and Retirement Readiness

### Why Should I Learn More About Supplemental Retirement Savings Plans Like 403(b) and 457(b)?

The challenging economic conditions over the last several years have led most employees to worry about whether or not they will ever be able to retire, and those who have lost their jobs have even bigger worries (see [Findings from National Voter Survey: Americans Anxious About Retirement Security](#), published by [BenefitLink.com](#) on 10/12/2011). Developing a better understanding of your own situation with respect to retirement, evaluating current lifestyle and desired retirement lifestyle, and charting a course to reach your goals are activities worthy of your attention. There is no time like the present to get started.

Recently numerous organizations have launched initiatives that focus on educating employees about retirement financial planning, and how 403(b) Tax Sheltered Annuities (TSA) and 457(b) Deferred Compensation Plans (DCP) are excellent supplemental retirement savings programs (see dedicated section below). **Rewarding lifestyle choices, balanced between the working years and the retirement years, are isolated and emphasized on this page.**

### Life Planning vs Financial Planning

Financial planning, while important for both overall life planning and retirement planning, is not the only critical consideration. In fact, a good case can be made that finances aren't even at the top of the life/retirement planning priority list. One of the best resources we've found on this front is available at the following website, which lists "providing financial and physical shelter" as one of six issues and concerns in its SPLASH model:

[Retirement Readiness for Retirees and Near-Retirees](#)

## 403(b) Transactions Information

### Obtaining Transaction Authorization

CCC offers Plan Administrative Authorizations for plans, CCC administrators in various formats, depending on the transaction type.

CCC offers Authorization Vouchers for the following transaction types:

- **403(b) Distributions to the Participant** (for qualifying events of Severance from employment and attainment of age 59.5)
- **403(b) Rollover Distributions** (for qualifying events of Severance from employment and attainment of age 59.5)
- **403(b) Contract Exchanges within the Plan**
- **403(b) Plan-to-Plan Transfers out of the Plan**

For more information on requesting an Authorization Voucher, please click [here](#).

Click [here](#) for information on submitting **403(b) Loans** for authorization.

Click [here](#) for information on submitting **403(b) Hardship Distributions** for authorization.

### General Information Regarding Transactions

Carruth Compliance Consulting (CCC) serves as Third Party Plan Administrator (TPA) for Employer's sponsoring 403(b) Plans. In this role CCC provides transaction processing for our "Full Service Clients" and limited transaction processing for certain vendors for our "Selected Vendor Plan Clients". When a transaction requires a Plan Administrator or Employer signature, CCC conducts the appropriate due diligence required to determine eligibility for a given transaction prior to authorization.

Before you submit a transaction to CCC, please note the following information regarding transactions:

- Transaction may be restricted by a vendor's investment agreement, and the transaction processing requirements may vary from vendor to vendor. For example, Fidelity Investments requires "wet signatures" by the Participant and by CCC on all transaction processing forms. When available, CCC will post any available notes regarding transaction processing and forms if accessible online on the "Vendor's CCC General Information" page for the each of the Vendors. The strong®-Vendor's CCC

## Choosing an Investment

### How Do I Choose An Investment?

Participation in the 403(b) program is voluntary and each employee is responsible for the selection one or more tax-deferred vendors at any given time. Considerable information about each vendor is available for each employer, please visit your employer's plan information page, linked from the "For Employee" button above or by clicking [here](#). You may also want to consult with your own stock broker, tax advisor, financial consultant, or insurance agent. **Neither your employer nor Carruth Compliance Consulting, Inc. can offer any investment advice, promote any one product over another, or evaluate, monitor, or recommend companies to sell 403(b) annuities or 403(b)(7) custodial accounts (mutual funds).**

Before contacting companies, you should try to learn about some of the different investment opportunities available. Numerous books about money and investments are available in bookstores, from libraries, and on the internet, including the Wall Street Journal's "Guide to Understanding Money and Investing" and Consumer Reports investment ratings. Also available is Morningstar's "Variable Annuity Performance Report," which evaluates the underlying investments of many annuities and mutual funds. Additional useful web links may be reviewed by clicking [here](#). Learning basic information will help you decide how to invest.

There are some levels of risk in any type of plan you chose. Generally, the more risk you take, the higher the potential return. Make your decision on which type of plan you want and how much risk you are willing to take.

Beware of investments with **fees or loads** that are excessive or hidden. Many investments have declining fees over time or charge only a low one-time fee each year. Avoid annuities that advertise a high rate of interest that is only good on the money invested initially. After the initial period at the high rate, the money may earn a lower rate.

## Frequently Asked Questions by Employees (Employee FAQ)

1. What is a 403(b) Plan?
2. What is a 457(b) Plan?
3. Am I eligible for catch-up contributions?
4. What are my 403(b) or 457(b) rollover options and the taxation concerns connected to distributions from my account(s) once I have obtained a qualifying event for distribution?
5. When am I considered "severed from employment" as it pertains to my 403(b) or 457(b) account(s)?
6. My employer is offering a post-severance Early Retirement Incentive (ERI) program. If I decide to participate, will I have the option to defer any portion of these payments into my 403(b) or 457(b) accounts?
7. Can I take a hardship withdrawal from my 403(b) account?