

Repeat after us.



Be calm.



Be cool.



Relax.



We know you have many questions and may feel confused with so much information being released. At GAFRI we understand, and are committed to making the regs and new money movement rules easy to understand.

We have the facts...

What are Information-Sharing Agreements (ISA)?

An ISA is an agreement between your district and the 403(b) contract provider to share information needed to administer the 403(b) contract. Generally, this is information concerning the employee's employment and 403(b) contract(s), and other qualified employer plans. It must provide for the sharing of information needed to determine whether a severance from employment has occurred, whether hardship withdrawal rules have been satisfied and whether a loan meets applicable requirements. They will be needed for all contracts that have or will receive 403(b) contributions from your district. In addition, they will be needed to allow exchanges and transfers (formerly known as 90-24 Transfers), as well as rollovers. If an ISA is not signed, the contract will be disqualified.

Looking for an ISA form? Want to see if we've received your signed copy yet?

Necessary documents and confirmation of receipt are available through your financial professional or by calling our School Team at **(800) 789.6771, ext. 10228**.

Your school district will need a plan

New regulations require that you adopt a 403(b) Plan Document if you have ever allowed or will continue to allow your employees to contribute to 403(b) contracts. Sample plan language will be released by the IRS in upcoming months.

We have resources you can count on...

There are advantages to working with our company and independent agents, and it's simple—we consistently deliver on our promises while providing outstanding support. More importantly, we're experts in the 403(b) business and we're staying in the game. Each step of the way, we'll provide you and participants with accurate, timely and easy-to-follow information. Keep an eye on our web site for current information that is updated regularly at **www.GAFRI.com/403bregs**. If you need additional information, call us at **(800) 789.6771, ext.10228** or e-mail **403bregs@gafri.com**.

A TPA for all seasons

As an employer, you will have to monitor or arrange for monitoring of exchanges, transfers, rollovers, hardship withdrawals and loans. Are you worried about managing all this and staying compliant? The services of a third-party administrator can help and will become more important for you to consider as January 1, 2009 draws closer. For more information, contact our subsidiary, Great American Plan AdministratorsSM, Inc. at **(800) 695.1471** or visit their web site **www.gapladata.com**.

We have the answers...

Definitions you need to know

Understanding the following will help keep things simple:

- **Contract Exchange (formerly known as a 90-24 Transfer)** is an exchange of one 403(b) contract for another 403(b) contract where both contracts are maintained under your 403(b) plan.
- **Plan-to-Plan Transfer (also formerly known as a 90-24 Transfer)** is a transfer from a 403(b) contract under your 403(b) plan to a 403(b) contract under another employer's 403(b) plan or, from a 403(b) contract under another employer's 403(b) plan to a 403(b) contract under your 403(b) plan.
- **Rollover** is a contribution to a 403(b) contract under your plan of an eligible rollover distribution from another 403(b) contract, a state teacher's retirement fund or other qualified retirement plan, or an IRA. In order to have an eligible rollover distribution, the distribution restrictions of the other 403(b) contract or the state teacher's retirement fund, or other qualified retirement plan must have been satisfied.

We will only accept exchanges, transfers and rollovers to a contract under your 403(b) plan if we have an active payroll slot or a signed ISA with your district.

Your questions—answered

- *If the regulations are not effective until January 1, 2009, why are there requests for us to sign ISAs now? Do I have to sign one?*

Contracts that currently receive exchanges, transfers and rollovers do not need an ISA signed by the vendor and employer until January 1, 2009. However, if an ISA is not signed by that date, then the contract may be disqualified. It is desirable to have a signed ISA now to eliminate that risk.

- *What does an ISA obligate us to do? And, can I refuse to sign one?*

An AISA requires that you share information concerning a current or former employee's employment and 403(b) contract(s), and other qualified employer plans...thereby enabling exchanges, transfers and rollovers to occur in compliance with the new 403(b) regulations. If you refuse to sign an ISA by January 1, 2009, it may cause contracts to be disqualified for both current and former employees of your school district.

- *Do I have to sign one with every vendor we have on January 1, 2009? What about past vendors?*

Yes, by the effective date, you will need to sign an ISA or similar service agreement with every vendor to which you send or have sent 403(b) contributions.

- *If I have a Plan Document in place by January 1, 2009, is the ISA implied or do I still need them?*

Nothing will be "implied". You must sign an ISA or similar service agreement with all current and past vendors.

- *Do we need a Plan Document? What if we don't have a Plan Document in place by the effective date of January 1, 2009?*

By not creating a Plan Document, existing 403(b) contracts to which you have forwarded contributions may be disqualified. Additionally, the current or former employee may be taxed on the full value of the contract. Additionally, sample plan language will be released by the IRS in upcoming months as Plan Documents will be required beginning January 1, 2009.

- *Can we terminate a plan before the effective date?*

Yes, but to terminate the plan before January 1, 2009, you must take steps to cause the funds in the current and former employees' contracts to be distributed as soon as practical after the termination.

- *What if we cannot identify all past vendors?*

Don't worry...as January 1, 2009 grows closer, you may expect unidentified vendors and the employees or former employees who have 403(b) contracts with them to contact you, the employer, to ensure that those contracts remain qualified.

- *Can I have my third-party administrator (TPA) be in charge of signing the ISAs on our behalf?*

Yes, that is one of many services a TPA may provide.