EMPLOYER 403(b) Retirement Savings Newsletter 2010-2011

First Financial Administrators, Inc.

New IRS regulations that were effective January 1, 2009, have greatly expanded employer involvement in public school district 403(b) plans. First Financial Administrators, Inc. (FFA) is committed to careful administration which will help ensure a successful and compliant 403(b) program for you and your employees.

Please take note of the following information, as various areas pertaining to your 403(b) retirement savings plans are addressed.

RESPONSIBILITES OF A PLAN SPONSOR

» IRS requires ANNUAL NOTIFICATION to ALL employees. Therefore, please distribute the "EMPLOYEE Retirement Newsletter" to all employees. This letter should be available via your website, employee handbooks, bulletin boards etc.

» Please include your substitute teachers and all non-TRS eligible employees in the distribution of the EMPLOYEE newsletter.

Employees are on a Need to Know Basis…and They Need to Know

We recommend that all employees be given the opportunity to participate in a 403(b) annuity to avoid the tracking of hours, as required by the IRS, as well as any possible violation of the Universal Availability requirement.

POINTS TO REMEMBER

» Please do not sign any forms or documents unless requested by FFA. All paperwork received from a vendor, agent or employee should be forwarded to FFA. When the compliance review is completed, FFA will sign on behalf of the Employer.

» Payroll changes should not be made prior to receiving the transmittal approval from your Retirement Specialist. To guarantee compliance, all paperwork must be processed by FFA before the Payroll Department makes any 403(b) changes to payroll. Our transmittal (an excel spreadsheet) is our approval that compliance testing is complete.

» Participants wanting to increase, decrease or stop a 403(b) Salary Reduction must complete a FFA 403(b) Salary Reduction Agreement.

» We will be unable to process any contributions received for employees who are not listed on the transmittal.

» Due to privacy laws, employee authorization must be obtained prior to releasing information to annuity agents.

Agent Solicitation

All agents must abide by the Rules for Solicitation established by your district. If the rules are not followed, you have the right to ban an agent from writing new business and/or remove an Investment Carrier as an approved vendor in your plan.

TEXAS LAW STATES: if you allow one agent to solicit, you must allow everyone.

The rules for solicitation state "No on-campus solicitation."

Please notify FFA in the event of Rules for Solicitation violations, or any unauthorized soliciting in your district.

Mailing Address
P.O. Box 670329
Houston, TX 77267-0329

Physical Address
515 N. Sam Houston Pkwy East
Houston, TX 77060

Phone: (281) 847-8422
Toll Free: (800) 523-8422
Fax: (866) 265-4594

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www.ffga.com

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403(B) FORM REQUESTS

» Only the FFA Salary Reduction Agreement (SRA) form will be accepted.

» The SRA, as well as additional information can be obtained from our website at *http://www.ffga.com*

REMINDERS

» School Administration Personnel Changes

- Please notify FFA of any personnel or office changes (i.e., Payroll/Business Manager, contact, address, phone, and fax numbers, etc).

» Timing of Distributions

- Distributions are processed in the order received. Generally, requests for additional information *(status of the employee, date of birth, or vendors the employee has made 403(b) contributions to)* will be made within 24 hours of receiving the paperwork.
- The participant is responsible for obtaining/submitting proper vendor forms
- If any paperwork is submitted directly to the school, please forward to FFA for review and approval.
- Please keep in mind that the timing of distributions will be expedited as soon as the information we need from you is received.
- Paperwork received in good order can normally be processed within 2-7 business days.
- Inaccurate paperwork delays process.
  - Distributions: 2-4 business days
  - Loans: Because we need letters from the vendors, loans could take up to 3 weeks to process
  - Exchanges: 5-7 business days

These time frames are an estimate, as we rely on others to forward requested information in a timely manner.

ADDITIONAL REMINDERS

» 403(b) contributions received without the proper paperwork will be returned to the Payroll Department.

» Advise your Retirement Services Specialist when an employee terminates or is on a leave of absence.

» Direct all inquiries from sales agents and employees regarding 403(b) accounts to your Retirement Services Specialist.

» We have a toll-free fax line specifically for distributions, loans, transfers/rollovers, exchanges and hardships – (866) 265-4594.

» All faxes are logged into our system on a daily basis at 10:00 AM and 3:00 PM.

» Need your vendor list? Go to: *http://www.ffga.com/403b/403bmain.aspx*

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