

## **Lynchburg City Schools 403 (b) Plan Summary FY2019-20**

The major provisions of the 403 (b) Plan adopted by the School Board are:

- The name of the Plan is: **Lynchburg City Schools 403 (b) Plan.**
- The effective date of the new Plan is July 1, 2008.
- All employees of the Lynchburg City Schools are eligible to participate in the Plan beginning on the first day of employment.
- The employer will make no more than an annual contribution of \$130 for each full-time classified employee on a bi-weekly payroll plan. The employee must match the contribution by a minimum contribution of \$5 per pay period to the same vendor selected for the employer match.
- The Plan will permit catch-up contributions for employees with 15 years or more of service with the Lynchburg City Schools.
- Employees are authorized to elect salary reduction agreements with any of the approved 403 (b) Plan Providers (Vendors) shown in Appendix A. The approved Vendors for FY2018-19 are:
  - American Century Investments
  - AXA -Equitable Life Assurance Co.
  - Horace Mann Insurance Co.
  - Security Benefit Group
  - Servus Capital Management
  - VALIC Retirement
  - VOYA Life Insurance and Annuity Co.
  - VOYA ReliaStar Life Insurance Co.
- The Plan allows exchanges by employees among any of the Vendors. Exchanges by employees from Vendors not listed in Appendix A are allowed as long as the exchange is to a Vendor listed in Appendix A. Exchanges are not allowed to any Vendor not listed in Appendix A.

- The Plan will accept rollover distributions that meet IRS guidelines from other tax qualified retirement plans.
- Hardship distributions are available to employees under the Plan subject to approval by the Director of Finance.
- Loans are available to employees under the Plan to the extent that the Vendor allows a loan. Employees are limited to one outstanding loan at any point in time and the Director of Finance must approve all loans.
- The 403 (b) Plan Administrator is the Director of Finance.

## Plan Definitions

**Fixed Annuity** - An investment vehicle offered by an insurance company, that guarantees a stream of fixed payments over the life of the annuity. The insurer, takes the investment risk, also called fixed dollar annuity.

**Variable Annuity** - A life insurance annuity contract which provides future payments to the holder (the annuitant), usually at retirement, the size of which depends on the performance of the portfolio's securities. The insured, takes the investment risk.

**Mutual Fund** - An open-ended fund operated by an investment company, which raises money from shareholders and invests in a group of assets, in accordance with a stated set of objectives. Mutual funds then take the money they receive from the sale of their shares and use it to purchase various investment vehicles, such as stocks, bonds and money market instruments. For most mutual funds, shareholders are free to sell their shares at any time, although the price of a share in a mutual fund will fluctuate daily, depending upon the performance of the securities held by the fund. Benefits of mutual funds include diversification and professional money management. Mutual funds offer choice, liquidity, and convenience, but charge fees and often require a minimum investment. There are many types of mutual funds, including aggressive growth fund, asset allocation fund, balanced fund, blend fund, bond fund, capital appreciation fund, equity fund, global fund, growth fund, growth and income fund, income fund, index fund, international fund, money market fund, municipal bond fund, sector fund, stock fund, and tax-free bond fund.

**Fund Prospectus** - A legal document offering securities or mutual fund shares for sale, which explains the offer, including the terms, issuer, objectives, historical financial statements, and other information that could help an individual decide whether the investment is appropriate for him/her.

**Annual Percentage Yield (APY)** - The rate of return on an investment for a one-year period.

**Management Fee** - A charge paid to managers of a mutual fund for their services; usually also includes fund administration costs and investor relations. Expressed as a percentage charge usually between .5% and 2.0% of total fund assets.

**Front End Load** - A sales charge paid when an individual buys an investment, such as a mutual fund or annuity. The purpose of a load is to cover administrative expenses and transaction costs and sometimes to discourage asset turnover. Normally loads are 3% to 5% of the total investment contribution.

**No Load Fund** - A mutual fund which doesn't impose a sales or redemption charge, selling and redeeming its shares at net asset value, opposite of a load fund.

**Redemption/Surrender Charge** - A fee imposed for terminating an annuity contract prior to its maturity, usually imposed on withdrawals/redemptions during the first 10 years of investor participation, expressed as a percentage against the amount withdrawn, normally between 1% and 7%.

**Dollar Cost Averaging** - An investment strategy designed to reduce volatility in which mutual funds or securities are purchased in fixed dollar amounts at regular intervals, regardless of what direction the market is moving.

**APPENDIX A**  
**Lynchburg City Schools' Authorized Vendor List**  
**Annuity & Mutual Fund Providers**  
**403(b) Plan**  
**FY2019-20**

**COMPANY**

**ENROLLMENT CONTACT**

American Century Investments  
**(Mutual Funds)**

(800) 345-2021  
**Website:** [www.americancentury.com](http://www.americancentury.com)

AXA Equitable Life Assurance Co.

Mr. Joshua Gallegos  
917 E Washington Ave  
Vinton, VA 24179  
(540) 520-2754

Horace Mann Insurance Co.

Chris Williamson  
(301) 448-5498  
[Christopher.williamson@horacemann.com](mailto:Christopher.williamson@horacemann.com)

Security Benefit Group  
**(Mutual Funds) and**  
VOYA ReliaStar Life Insurance Co.  
**(Fixed)**

Virginia Retirement Specialists, Inc  
Mr. Andy Matthews  
P.O. Box 11513  
Lynchburg, VA 24506  
(434) 534-9004  
[askandy@gwnsecurities.com](mailto:askandy@gwnsecurities.com)

Servus Capital Management

Mr. Allan Malina  
1922 Graves Mill Road  
Lynchburg, VA 24502  
(434)316-0246 (434) 420-1934  
Toll Free- 866-396-6861  
[allan.malina@servuscm.com](mailto:allan.malina@servuscm.com)  
<https://prezi.com/view/Kqqpxyn9m5ITdOhcDaqZ/>

VALIC

Mr. David Bush  
(800) 892-5558 Ext. 89743 or  
(804) 897-5042 or  
(434) 221-7203

VOYA Life Insurance and Annuity Co.  
**(Variable Annuity)**

Jane Luke  
12600 Fair Lakes Circle, Suite 150  
Fairfax, VA 22033  
(703) 449-2913  
**Website:** [www.voya.com](http://www.voya.com)

**Lynchburg City Schools' Authorized Vendor List  
457 Deferred Compensation Plan  
FY2018-19**

**COMPANY**

**ENROLLMENT CONTACT**

Security Benefit Group  
**(Mutual Funds) and**  
VOYA ReliaStar Life Insurance Co.  
**(Fixed)**

Virginia Retirement Specialists, Inc  
Mr. Andy Matthews  
P.O. Box 11513  
Lynchburg, VA 24506  
(434) 534-9004  
askandy@gwnsecurities.com

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<https://prezi.com/view/Kqgpxyn9m5ITdOhcDaqZ/>

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