

403b compare

**Trying to figure out your
403(b) investment
options for retirement?**

The choices regarding fees and different products can be too much to sort out on your own. Don't let that stop you from investing in your future. A new tool is available on the Internet that will help eliminate the guesswork and make it easier for you to make informed and wise decisions.

**It's called
403bCompare.com**

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Your California School
Employee Retirement
Product Information Bank



www.403bCompare.com

■ What is a 403(b)?

The term “403(b)” refers to the section of the Internal Revenue Service code that allows public schools and certain tax-exempt organizations to offer tax-deferred investment plans to their employees.

■ What is 403bCompare?

A no-cost Web site, administered by the California State Teachers’ Retirement System, that serves as a 403(b) retirement products information bank. It includes information about 403(b) products, such as performance, fees, etc. Check out 403bCompare.com for additional information.

■ What does “tax deferred” mean?

Under a tax-deferred retirement plan, you are not paying taxes on your contribution or investment earnings now, but are delaying any possible tax liability until you retire (or withdraw money from your 403(b) account). Depending on your future tax bracket at time of withdrawals, this delay could result in much less tax liability.

■ Tax Savings with a 403(b)

The chart below assumes a single California wage earner in the 25% federal marginal tax bracket for 2003.

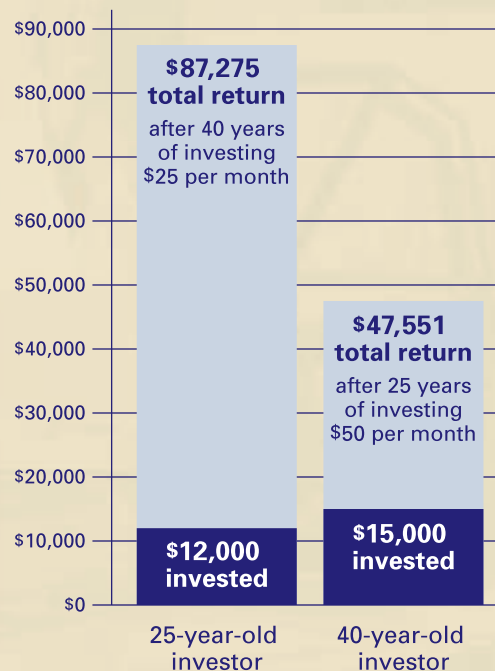
	Without 403(b)	With 403(b)
Salary	\$ 50,000	\$ 50,000
CalSTRS	\$ 4,000	\$ 4,000
Medicare	\$ 725	\$ 725
403(b)	none	\$ 5,000 *
Taxable Income	\$ 46,000	\$ 41,000
Federal Tax	\$ 6,366	\$ 5,116
CA State Tax	\$ 1,991	\$ 1,542
Total Taxes	\$ 8,357	\$ 6,658
Tax Savings		\$ 1,699

* The net cost of this \$5,000 contribution is only \$3,301 due to the tax savings detailed above.



■ Early Start Advantage

One investor starts at age 25. Another investor waits until age 40. The second investor makes double the monthly contributions (\$50 vs. \$25), and actually contributes more money (\$15,000 vs. \$12,000) yet still amasses less in savings than the early start investor. The figures below assume an 8% return.



To maximize your retirement savings, you should make sensible decisions about where to direct your contributions early on. 403bCompare.com can help you make those decisions with confidence.

■ What is the benefit of taking action now?

Just a little planning and research during your working years can pay off in a much more rewarding retirement. Don’t gamble on your future. Use 403bCompare.com to determine the best investment options for you today.

■ Who is the audience for 403bCompare.com?

- All employees of California local school districts, community college districts and county offices of education.
- All employers who wish to provide their approved list of vendor’s salary reduction agreement.
- Any vendor who wishes to sell 403(b) products to employees.

