

BERRYESSA SCHOOL DISTRICT

Business/Payroll Department Update 403(b) & 457(b) Plans

Participation Eligibility

All Berryessa SD employees are eligible to participate in both 403(b) and 457(b) plans.

Since these contributions are deducted from your monthly salary, please make sure that your requested contribution does not exceed your monthly salary. This is especially relevant to part-time employees whose hours and salary fluctuate from month to month. If your contribution exceeds your salary, your entire contribution will be suspended. Then, to restart your contributions you will need to submit a new Salary Reduction Agreement (SRA) to payroll.

District Contacts

Classified Payroll
Que Nghiem - 923-1857

Certificated Payroll
Sally Owyang - 923-1858

Business Services
Joshua Quitarano - 923-1862

Personnel Services
Nelson Estupin - 923-1852

2019 Contribution Limit Update

The IRS increase annual contribution limits for 2019 for both the 403(b) and 457(b) plans. Please note that contribution limits are set for the calendar year (Jan. 1– Dec. 31) and NOT for the District’s fiscal year of (July 1–June 30).

2019 ANNUAL LIMITS

Plan Type	Contribution (Basic Limit)	Age 50 Plus Catch-Up	Total
403(b)	\$19,000	\$6,000	\$25,000
457(b)	\$19,000	\$6,000	\$25,000
Total	\$38,000	\$12,000	\$50,000

The IRS contribution limits are independent for each plan, thus it is possible to contribute up to \$38,000 (if you are under age 50) or \$50,000 (if you are at least age 50 or older) when using both plan types. You may also qualify for additional catch-up contributions. Please check in with us for additional information.

Start Saving Earlier In Life

The earlier you start saving towards your retirement the easier it will be for you to achieve your saving goals. Here is an example: Kelly is 25 and started savings \$1,200 per year (\$100 per month). John is also 25 but he is waiting to start saving \$1,200 per year until he is age 35. Both will save until they are age 65.

(Assumption: 7% annual rate of return)

By skipping out on saving for the first 10 years, John invested a total of \$12,000 less than Kelly. However, Kelly’s balance at age 65 is a little over \$275,000 while John’s balance is approximately \$131,000. How could investing only \$12,000 less create such a big difference in the end result? The answer to that is all the lost compounded investment earnings. Starting early will help you create the retirement you want!

