

***Independent
School District No. 1
Lewiston, Idaho***

**Savings Handbook
2020**

An Employee's Guide to the PERSI Choice 401(k) Plan, the District's 403(b) Plan and the Idaho College Savings Program.

INDEPENDENT SCHOOL DISTRICT NO. 1
LEWISTON, IDAHO
SAVINGS HANDBOOK
TABLE OF CONTENTS

Introduction.....	Page 1
Options which are Available.....	Page 1
Advantages of Retirement Savings.....	Page 1
 The PERSI Choice 401(k) Plan.....	 Page 2
Contribution Limits and Rollovers.....	Page 2
Investment Options.....	Page 2
Distributions.....	Page 3
Fees.....	Page 3
 The District 403(b) Plan.....	 Page 3
Investment Options.....	Page 3
Contribution Limits.....	Page 4
Withdrawals and Distributions.....	Page 4
Fees.....	Page 4
Orphan Accounts.....	Page 5
 Questions?.....	 Page 5

APPENDIX

Appendix A:

 Salary Reduction Agreement for PERSI Choice Plan

Appendix B:

 Salary Reduction Agreement for 403(b) plan

Appendix C:

 Mutual Fund List and Fees for 403(b) ASP

INTRODUCTION

THE PURPOSE OF THIS HANDBOOK

A number of saving opportunities are available to employees of the Lewiston School District through payroll deduction. The information in this handbook gives an overview of savings options and basic information on legal limits and district procedures to establish and maintain accounts. The Lewiston School District does not give specific investment or tax advice and recommends an individual seek qualified advice from a tax advisor, TSA representative or other financial professional prior to participating in any savings/retirement program.

OPTIONS WHICH ARE AVAILABLE

As of January 1, 2009 the District has adopted a written 403(b) plan which meets the requirements of IRS regulations. All employees are eligible to participate in this plan. In addition, the PERSI “Choice” 401(k) program is available through the Public Employees Retirement system of Idaho (PERSI). All employees eligible for PERSI are also eligible to contribute to the PERSI Choice plan. These programs are intended to provide savings for retirement.

Both 403(b) programs and 401(k) plans are retirement savings plans which allow an employee to contribute part of his/her salary into an investment account every month through the District’s payroll system. The contributions are made before taxes are taken out. Both are named after the Internal Revenue Code Section which spells out the rules for the plans.

Another savings option available to employees is a direct payroll deduction into the **Idaho College Savings Program**. For information on this program check their web site at www.idsaves.org.

ADVANTAGES OF RETIREMENT SAVINGS

For both the 401(k) PERSI Choice plan and the 403(b) plan contributions are made on a monthly basis into a retirement account through payroll. The contributions are made with pre-tax dollars and any earnings on the investment are tax deferred. Tax-deferred means that you postpone paying taxes on the amount you contribute to a retirement plan and the interest it earns, until such time as you decide to start taking money out of the plan. At that time, withdrawals from the plan will be subject to taxes as ordinary income. Your advantage is that throughout the accumulation period, your money grows free from taxes. This allows your contributions to compound to an amount greater than if your contributions and earnings were taxed each year.

Following is an example of tax deferred savings compared to a regular savings account:
 If your goal is to save \$2,500 per year and your tax rate is 28%, you will need to earn \$3,472 per year in order to save \$2,500 in a conventional savings plan (\$3,472 – 28% for taxes = \$2,500). A tax-deferred investment is a pre-tax investment; therefore, you can save the entire \$3,472 (\$3,472 – 0 for taxes = \$3,472).

CONVENTIONAL SAVINGS PLAN		TAX-DEFERRED SAVINGS PLAN
\$ 3,472	Amount Earned	\$ 3,472
28%	Tax Rate	28%
\$ 972	Tax Paid	0
\$ 2,500	Net Annual Amount to Save	\$ 3,472
7% (5.04% after-taxes)	Assumed Earnings Rate	7%
20	Years of Saving	20
\$83,015	Value at End of 20 Years	\$142,336

The PERSI CHOICE 401(k) PLAN

All employees that work a minimum of 20 hours per week over a 5 month measurement period contribute a portion of their earnings to the Public Employee Retirement System of Idaho (PERSI), a defined-benefit retirement plan. The District makes mandatory contributions to the PERSI “Base” plan on employees’ behalf. Employees own 100% of their contributions and after completion of the five-year vesting period, employees also own the employer-contributed portion of their account.

Employees eligible to participate in the PERSI base plan are also automatically eligible to contribute to the PERSI Choice 401(k) plan which is a voluntary defined-contribution plan through convenient payroll deduction. A simple form (Appendix A) is submitted to the payroll office by the 20th of the month prior to the payroll deduction. This form is used to start, stop or change the payroll deduction.

CONTRIBUTION LIMITS AND ROLLOVERS

An employee may contribute a set amount each month up to 100% of gross income in the PERSI Choice plan up to a maximum of \$19,500 per year (for 2020). Employees over age 50 may contribute an additional \$6,500 per year (2020). PERSI Choice 401(k) funds are 100% vested.

The PERSI Choice Plan accepts rollovers of all eligible rollovers distributions from 401(a), 401(k), 403(a), 403(b) and 457 plans. To be eligible for rollover, there must be a “distributable” event such as termination of employment. An employee who has a 403(b) through the District cannot rollover these funds into the PERSI Choice Plan unless employment is terminated.

INVESTMENT OPTIONS

There are several investment options established for PERSI Choice 401(k) investments. These investments are explained on the PERSI Choice web site at https://www.persi.idaho.gov/Members/choice_401k_plan.cfm The options offer a balance of risk

and return from very conservative to aggressive. Contributions are initially invested in the default PERSI Total Return Fund which represents the same investments as the Base Plan. Employees who wish to change their PERSI Choice portfolio may do so by telephone at 1-866-437-3774 or logging into one's Choice 401(k) account online.

DISTRIBUTIONS

Under the PERSI Choice 401(k) Plan, loans are permitted for any reason during employment. The minimum loan amount is \$1000 and the maximum loan amount is the lesser of \$50,000 or 50% of the account. Repayments are made with after-tax money through payroll deductions.

Hardship withdrawals are allowed for specific purposes as defined by IRS Regulations.

Funds from the Choice Plan 401(k) account may be transferred to the PERSI Base Plan while an employee is still working to repay separation benefits, waiting periods or delinquent contributions.

The full value of the 401(k) account is available upon retirement, termination of employment, death or disability. There are a number of payment options.

FEES

Record keeping and administration fees for the PERSI Choice 401(k) Plan are described on the website at https://www.persi.idaho.gov/Investments/choice_401k_plan_fees.cfm

The DISTRICT 403(b) PLAN

IRS regulations in 2007 required educational organizations to develop a written plan document which establishes the vendors and plan provisions for 403(b) retirement investments. The Board of Directors of Independent School District No. 1 adopted the plan on November 10, 2008 effective as of January 1, 2009. All employees of the District may participate in the 403(b) plan through a convenient payroll deduction. A simple Salary Reduction Form (Appendix B) is submitted to the payroll office by the 20th of the month prior to the payroll deduction.

INVESTMENT OPTIONS

Aspire Financial Services, LLC (Aspire) and American Fidelity Assurance Company are the vendors selected as 403(b) vendors. Aspire provides options for mutual funds and American Fidelity provides fixed and variable annuities.

CONTRIBUTION LIMITS

An employee may contribute 100% of earned income up to \$19,500 annually (2020, however contributions to all 403(b) and 401(k) accounts must be combined when determining the maximum contribution. Employees with 15 or more years of service with the Lewiston School District may be eligible for an additional catch-up contribution amount. Employees who are 50 years of age or older

are eligible to make an additional \$6,500 (2020) contribution per year. It should be noted that the Internal Revenue Service (IRS) governs contribution limits and publishes updated information annually at www.irs.gov.

WITHDRAWALS AND DISTRIBUTIONS

The funds in a 403(b) investment are intended to be used at retirement, however, they may be withdrawn under the following conditions:

1. Attainment of age 59-1/2
2. Death or Disability
3. Separation from Service
4. Severe financial hardship (as defined by the IRS)

At the time funds are withdrawn, they will be taxable income to the employee. In most situations withdrawing funds before age 59-1/2 will result in a 10% tax penalty in addition to the Federal and State tax. Loans from the 403(b) investments are not allowed under the District's Plan.

FEES

403(b) accounts may be subject to a variety of maintenance and administration fees which must be disclosed by the investment fund management. The District has no control or interest in the fees charged and does not derive any benefit from them. Your investment advisor should be consulted with questions concerning fees.

ORPHAN ACCOUNTS

IRS Revenue Procedure 2007-71 defines an orphan 403(b) account as one held by the District's employee, former employee or beneficiary that is not a part of the District's 403(b) plan on January 1, 2009. Those accounts which received no contributions to any account of any of the District's employees after December 31, 2004; 403(b) accounts that were properly transferred to any investment provider before September 24, 2007 and accounts held by former employees are considered grandfathered. In these cases the employee will deal directly with the investment provider holding the account.

For those accounts held by current employees as of January 1, 2009 where the contract was issued on or after 1/1/2005 and before 1/1/2009; contributions were made on behalf of employees during that period; and the investment provider is not included under the District's plan, the District has made a good-faith effort to contact those investment providers and request an information sharing agreement. The following vendors have returned the District's information sharing agreement as of October 31, 2008:

Name of Vendor
Variable Annuity Life
AIG American General
Ameriprise Financial, Inc.
Kansas City Life
Oppenheimer Funds
Security Benefit
Commonwealth Annuity
Horace Mann Life Insurance
ING Life Ins and Annuity
Midland National Life
ReliaStar Insurance Co
Thrivent Financial
Waddell & Reed

Contributions to all vendors except for the selected vendors will be discontinued as of January 1, 2009. Employees with 403(b) contracts with "orphan" vendors will have the option of leaving the funds with the current vendor or exchanging these accounts to an investment provider that is part of the District's plan. CAUTION: Exchanging funds to a plan vendor may result in surrender charges or other fees depending upon the investment agreement with the investment provider.

QUESTIONS?

If you have questions about the PERSI Choice plan or 403(b) investments you may contact the Director of Business Services at the Lewiston School District.

Leann L. Hubbard
(208)748-3040
Lhubbard@lewistonschools.net

Plan Highlights

Welcome to your future! You're in the race with the PERSI Base Plan. The PERSI Choice 401(k) Plan may help you pull ahead of the pack and cross the finish line strong and ready for the retirement you deserve!

Discover More About Your PERSI Choice 401(k) Plan

Ready... Set? Go! The PERSI Base Plan

The PERSI Base Plan gets you into the game, providing you with the security of a lifetime benefit. But to finish with the comfortable retirement you deserve, you've got to do more, and you've got to start now. If you're ready to Go BIG, the PERSI Choice 401(k) Plan can help you end up on top.

The PERSI Base Plan provides traditional pension benefits—meaning the longer you work for an employer who participates in PERSI, the greater your Plan retirement benefit will be. While the PERSI Base Plan is not designed to be your primary or sole means of support, it is a great start!

The Next Step: The PERSI Choice 401(k) Plan

The PERSI Choice 401(k) Plan is designed to help you save more for retirement. Let's Go BIG, sprint to the finish, and look at the PERSI Choice 401(k) Plan options.

Important Highlights

- **New contributors:** Take advantage of the 12-month fee holiday when recordkeeping and administrative fees will not be assessed to your account. You will still be assessed the investment management fees. After 12 months, fees begin at your respective tier.*
- You elect how much of your pay to defer to your account. This could be a percentage of your pay (including overtime) in whole percentage amounts from 1% to 100% or a whole dollar amount (depending on your employer). The maximum allowable contribution for 2018 as determined by the IRS is \$18,500. However, if you will be age 50 or older during 2018, you may make additional catch-up contributions of \$6,000 to the PERSI Choice 401(k) Plan for 2018.
- As you Go Now, Go BIG, be aware that you are able to invest your contributions among several investment options. If you choose not to direct your contributions, they will be directed automatically to the PERSI Total Return Fund,** which is invested the same way the PERSI Base Plan is invested, making it a highly balanced diversified fund.
- PERSI may also make a periodic contribution (referred to as gain sharing) to your PERSI Choice 401(k) Plan account if the funding levels in the Plan permit and the Retirement Board decides it is appropriate.
- You are always 100% vested in (i.e., you own) your PERSI Choice 401(k) Plan account balance.
- Your full account balance is available to you (subject to income tax consequences and a potential 10% early withdrawal penalty) when you retire, end your employment with a PERSI-participating employer, or become totally disabled. In the event of your death, your beneficiary(ies) will be entitled to the full value of your account. Depending on your circumstances, you may choose from a number of distribution options.

You Don't Spend What You Don't See.
Contributions are taken from your paycheck before you receive it. Think of it as paying yourself first.

* Each investment option has its own operating expenses.

**Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

The Basics

What is a 401(k) defined contribution plan?

A 401(k) plan is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits (like the PERSI Base Plan) by saving and investing before-tax dollars.

Why should I participate in the Plan?

You may want to participate to save and invest additional money for retirement and/or reduce the amount of current state and federal income tax you pay each year.

Is there any reason why I should not participate in the Plan?

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund, or expect to be in a higher tax bracket during your retirement.

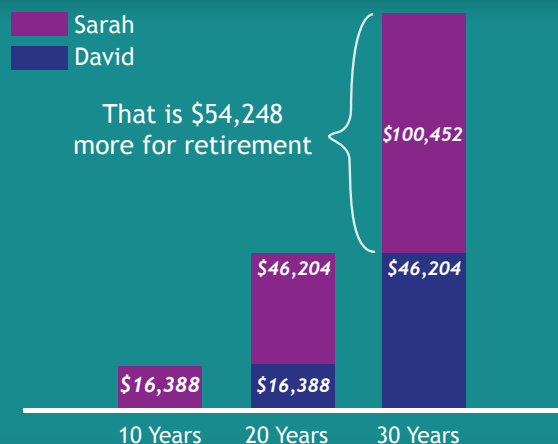
How much can I contribute?

In 2018, you can contribute up to 100% of your compensation or \$18,500, whichever is less. You can contribute up to \$24,500 if you are at least 50 years of age in 2018. This is set by the IRS.

Start Saving Early – It Makes All The Difference

If you're in your twenties or thirties, you're primed to Go Now to build the foundation of your retirement savings. Unfortunately, many of us don't start saving this early. We tell ourselves, "I'll start saving later" because we're too young to worry about retirement or we face more immediate financial needs such as paying off student loans, buying a car or house, or starting a family. However, Go Now works to your advantage because the earlier you start saving for retirement, the more time you'll have to take advantage of the benefit of compounding interest. A small investment now can grow to significant savings over time. That's the Go BIG potential benefit.

Consider the example below. Sarah and David plan to retire in 30 years. Sarah starts saving \$100 a month immediately while David waits 10 years before starting to save. The chart shows what they both would have after 10, 20, and 30 years, assuming a hypothetical 6% annual rate of return, compounded monthly, and no withdrawals.



FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration does not represent the performance of any investment options. It assumes contributions of \$100 per month for the amount of time shown, a 6% annual rate of return, reinvestment of earnings, and no withdrawals. Rates of return may vary. The illustration does not reflect any charges, expenses, or fees that may be associated with your Plan. The tax-deferred accumulations shown would be reduced if these fees were deducted.

Please consider the investment objectives, risks, fees, and expenses carefully before investing. For this and other important information about investments offered through your Plan, you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from your registered representative or Plan website. Read them carefully before investing.



More for Your Nest Egg Might Mean More in Your Pocket Now

If you think you can't afford to take money out of your check each month for a retirement you can't even imagine yet, consider this example of saving before tax through your PERSI Choice 401(k) Plan versus after tax through some other savings vehicle. Go Now, Go BIG!

Gross Pay = \$2,000	Before-Tax Contribution	After-Tax Contribution
Minus Before-Tax Contributions to 401(k) Plan	-\$100	-\$0
Taxable Pay	\$1,900	\$2,000
Minus Estimated Tax Withholding From Pay	-\$361	-\$380
Minus After-Tax Contributions to Other Savings	-\$0	-\$100
Spendable (Net) Pay	\$1,539	\$1,520
Before-Tax Advantage	\$19	\$0

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes a participant earning \$2,000 per month in regular pay who contributes \$100 per month in the Plan. It also assumes 19% combined federal, state, and local income tax withholding. It does not account for Social Security, Medicare, or other taxes.

Plan Loans

The primary purpose of your PERSI Choice 401(k) Plan account is saving for retirement; however, the PERSI Choice 401(k) Plan has a loan feature that may allow you to access your account's available balance during your employment.

When you take a loan from your PERSI Choice 401(k) Plan, you are actually borrowing money from your account. You will pay back the money to your account, with interest, over a specified period of time in approximately equal installments.

Key features include:

- No annual fee.
- A minimum loan amount of \$1,000.
- A maximum loan amount of 50% of your vested account balance or \$50,000, whichever is less (excluding any gain-sharing contributions).
- Terms of 12-60 months for general purpose loans or 61-120 months for the purchase of a primary residence.
- An interest rate of the prime lending rate declared in the *Wall Street Journal* on the first business day of the month in which the loan is processed plus 1%.
- A \$75 loan origination fee.

Below are some other considerations regarding loans from your PERSI Choice 401(k) Plan.

With a 401(k) loan:

- You don't pay taxes if repayments stay on schedule.
- You have to repay the loan, plus interest, or incur taxes and penalties.
- Your PERSI Choice 401(k) Plan balance is reduced.
- You can continue to participate in the PERSI Choice 401(k) Plan.

With a 401(k) withdrawal:

- Usually, you will have to pay taxes and may incur an IRS 10% penalty for withdrawals prior to age 59½.
- You cannot repay it.
- Your PERSI Choice 401(k) Plan balance is permanently reduced.
- Certain withdrawals cause a six-month suspension of contributions.

Log on to your account for more information about a PERSI Choice 401(k) Plan loan.

In-Service

In-Service Transfers

You may transfer funds from your PERSI Choice 401(k) Plan account to the PERSI Base Plan while you're still working to repay Base Plan separation benefits, waiting periods, or delinquent contributions.

In-Service Withdrawals

In addition to loans, you may be able to request a withdrawal of any rollover contribution funds within your PERSI Choice 401(k) Plan account and/or a hardship withdrawal of your funds while you are actively employed.

Rollover withdrawal: A withdrawal of any rollover contributions from your account can be made for any reason. However, unless the funds are rolled over into an eligible retirement account, they will be subject to an early distribution penalty (if you are under age 59½) and the mandated federal income tax withholding.

Hardship withdrawal: A hardship withdrawal may only be taken for certain immediate and significant financial needs as determined by IRS regulations. To receive a hardship withdrawal, you must satisfy certain conditions, including the exhaustion of your loan and rollover withdrawal options. In addition, funds from a hardship withdrawal will be subject to normal income taxes and an early distribution penalty if you are under age 59½. For more information about in-service withdrawals, log on to your account at www.mypersi401k.com.

Distribution Options

You may access all of the funds in your account if you retire, end your employment with a PERSI participating employer, or become disabled.

Depending on your circumstances, you may leave your assets in the PERSI Choice 401(k) Plan¹ or choose one or a combination of payment options:

- A lump sum
- Periodic installment payments²
- Rollover to an eligible retirement plan (401(a), 401(k), 403(b), 457, or pretax or Roth IRA)
- Purchase of PERSI Base Plan service at retirement

For more information about distribution options and the tax consequences of a distribution, log on to your account at www.mypersi401k.com.

PERSI Choice 401(k) Plan Participant Statements:

If you have a valid email on file and currently use e-delivery, you will receive an electronic notification when your statement is ready to view on the website.

If you have no email on file, or if you have opted out of e-delivery, you will receive hard copies of your statements at your address on record.

If you have an invalid email on file, we will make three attempts to notify you via regular mail. Meanwhile, you will not be sent a hard copy of your current statement but will receive one for the next period (unless you've updated your email).

It's easy to...

Update your email: Contact your employer or log on to your account at www.mypersi401k.com.

Request a hard copy: Call Empower Participant Service center (866-437-3774).

Download your participant statement: Log on to your account at www.mypersi401k.com, or use the hotlink in your myPERSI member portal account.

Once you log in to your account at www.mypersi401k.com, you can access your PERSI Choice 401(k) Plan account statement online. The PERSI Choice 401(k) Plan provides you with two types of account statements:

- **Online statement:** This statement is prepared quarterly as well as annually and includes any activity on your account within the quarter. It is available online approximately 15 business days after the end of a quarter.
- **Dynamic online statement:** This online statement allows you to specify a certain time period to summarize the activity in your PERSI Choice 401(k) Plan account and your personal rate of return during that time period.

Rollovers Into the PERSI Choice 401(k) Plan

Do you have money in another plan you'd like to move into the PERSI Choice 401(k) Plan? You can roll money into your PERSI Choice 401(k) Plan account from one or more of the following plans:

- 401(a)
- 403(a)
- 401(k)
- 403(b)

After-tax contributions cannot be rolled into the PERSI Choice 401(k) Plan. You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitations of investment options.

Accessing Your Account

You can access *both* your PERSI Base Plan and PERSI Choice 401(k) Plan accounts by using myPERSI. To access myPERSI, follow these simple steps:

- Go to **www.persi.idaho.gov**.
- Click on the “myPERSI Login” link in the upper right area of the page.
- Register using a personal identification number (PIN) that is assigned by PERSI and mailed to the address on file. If you are a member and not yet registered, you must request your PIN before registering for myPERSI. Request your PIN by clicking on the myPERSI link in the upper right area of the PERSI home page, **www.persi.idaho.gov**.
- A letter with the new PIN will be generated and mailed to you. Once you receive the PIN in the mail, you can go back to myPERSI and set up your login name and password, which you will use to login thereafter. Keep your PIN in a safe place, though, because it will be needed to verify your identity regarding account information when speaking with a PERSI representative. Please have your PIN ready before calling.

Once you log on, you can access your PERSI Base Plan and PERSI Choice 401(k) account information, including balances and investment choices, as well as other resources and tools. Members with questions, or those wanting assistance can always call the PERSI Answer Center at: 800-451-8228 or 208-334-3365 in the Boise area.

To log on to your PERSI Choice 401(k) Plan *only*, go to **www.mypersi401k.com** home page and select “Register” and follow the steps provided.

Questions

If you have questions about how the PERSI Choice 401(k) Plan can help you **Go Now, Go BIG**, just visit the website below or give us a call.

www.mypersi401k.com
or
866-437-3774

The voice response toll-free system is always available. PERSI Choice 401(k) Plan customer service representatives are available from 6 a.m. to 8 p.m. Mountain time, Monday through Friday. To speak to a representative, simply say “representative” or press zero (0).

Representatives from Empower Retirement, the recordkeeper and PERSI Choice 401(k) Plan administrator, are available to answer your questions about the Plan³. However, if you want to speak to a PERSI representative (or if you have questions about your PERSI Base Plan service), please call PERSI at **800-451-8228**, 7:30 a.m. to 5:30 p.m. Mountain time, Monday through Friday.

Take Advantage of the PERSI Choice 401(k) Plan Today

- STEP 1:** If you want more information, go to www.mypersi401k.com or link to your Choice 401(k) Plan account from your myPERSI account and select “About Your Plan”.
- STEP 2:** Ready to enroll? Click on “Enroll Now” and complete the PERSI Choice 401(k) Plan Paycheck Contribution Election Form
- STEP 3:** Give the completed form to your employer’s human resources or payroll department. Do not send this form to PERSI or Empower Retirement.

For more information, call 866-437-3774 or visit
www.mypersi401k.com

1 You must have at least \$1,000 in your account to maintain a PERSI Choice 401(k) Plan account if your employment with a PERSI employer has ended.

2 If your account balance is \$5,000 or more and you have reached the PERSI Choice 401(k) Plan’s normal retirement age (50), you may elect to receive installment payments; otherwise, you must choose one of the other options such as a lump-sum payout.

3 Representatives of Empower Retirement do not offer or provide investment, fiduciary, financial, legal or tax advice or act in a fiduciary capacity for any client unless explicitly described in writing. Please consult with your investment advisor, attorney and/or tax advisor as needed.

Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Financial®, Empower Retirement and Great-West Investments™ are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC.

GWFS Equities, Inc. registered representatives may also be investment adviser representatives of GWFS affiliate, Advised Assets Group, LLC.

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95270-01-BRO-3107-1802(13368) AM420962-0218



Paycheck Contribution Election 401(k) Plan

PERSI Choice 401(k) Plan

95270-01

Use black or blue ink when completing this form. For questions regarding this form, visit the Web site at www.mypersi401k.com or contact Service Provider at 1-866-437-3774.

A Participant Information

Account extension, if applicable, identifies funds transferred to a beneficiary due to participant's death, alternate payee due to divorce or a participant with multiple accounts.

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Social Security Number (Must provide all 9 digits)

()

Last Name

First Name

M.I.

Daytime Phone Number

Lewiston School District No. 1

Employer/Payroll Center

B Payroll Election(s)

Paycheck Contribution Election (Payroll Deductions)

Select One: ☐ Start ☐ Restart ☐ Change ☐ Stop

I elect to contribute to the Plan the following amount(s) or percentage(s) of my eligible compensation indicated below (per pay period):

☐ Before-Tax Contributions \$ _____ or **N/A** % (\$1.00 - \$26,000.00 or 1% - 100%)

NOTE: Fixed \$ amount requires employer approval.

Effective Pay Date: _____

As of January 1, 2020, the annual contribution limit for 401(k) Plans is \$19,500.00 (\$26,000.00 if you are at least 50 years of age in 2020). If you contribute to both a 457 and 401(k) plan, you may contribute up to \$19,500.00 (\$26,000.00 if age 50) into each plan, for a total of \$39,000.00 (\$52,000.00 if age 50). If you contribute to both a 403(b) and a 401(k) plan, the combined annual contribution limit is \$19,500.00 (\$26,000.00 if age 50).

C Participant Consent (Please sign on the 'Participant Signature' line below.)

My signature acknowledges that I have read, understand and agree to all pages of this form and affirms that all information that I have provided is true and correct. I also understand that:

- Until cancelled, superseded or I cease to be an eligible employee, all election(s) shall apply to all eligible compensation allowed by the Plan paid from the effective date specified unless a different effective date is required under the terms of the Plan and cancels all previous elections.
- I may change the dollar amount or percentage of compensation contributed as allowed under the terms of the Plan.
- It is my responsibility to comply with any Internal Revenue Code deferral limits and that I may be responsible for any costs, including taxes and penalties that I may incur as a result of excess contributions.
- My Plan Administrator may take any action that may be necessary to ensure that my participation is in compliance with any applicable requirement of the Plan Document and the Internal Revenue Code.
- I authorize the payroll deduction as indicated on this form.

Any person who presents false or fraudulent information is subject to criminal and civil penalties.

Participant Signature _____ **Date (Required)** _____

A handwritten signature is required on this form. An electronic signature will not be accepted and will result in a significant delay.

D Mailing Instructions

Participant forward this form to Employer and do not send to PERSI

Employer DO NOT send this form to the Service Provider. Please retain for your records.

Securities offered through GWFS Equities, Inc., Member FINRA/SIPC, and/or other broker-dealers. Retirement products and services provided by Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including GWFS and registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC.

INDEPENDENT SCHOOL DISTRICT NO. 1 Lewiston, Idaho

403(b) UNIVERSAL AVAILABILITY NOTICE

Independent School District No. 1 (the “District”) offers a 403(b) plan for eligible employees of the District. ALL Employees are eligible to participate in the 403(b) plan.

A 403(b) plan is a tax-deferred retirement program that permits an employee to reduce his or her compensation on a pre-tax basis and have the contribution deposited into a 403(b) account that the employee sets up with a 403(b) vendor. Amounts deposited into a 403(b) account and any earnings on those contributions are generally not taxed until the employee makes a withdrawal from his or her 403(b) account following separation from service with the District.

The District maintains a list of two approved 403(b) vendors and appropriate contact information for each vendor. A copy of this list as well as a copy of the Plan Document is available on the District’s Benefits Website (<https://www.lewistonschools.net/benefits/403b-retirement-savings/>) Employees should contact each vendor for information about the 403(b) products and services it offers.

To enroll in the 403(b) plan, an employee must complete a salary reduction agreement (SRA) and the vendor’s application to open an account. The SRA will only apply to amounts earned after enrolling in the plan. This contribution will continue unless it is modified or revoked in the future. The District has established policies that enable you to increase or decrease your contribution, stop your contribution, or change from one authorized 403(b) vendor to another as long as the SRA is submitted by pay day the month preceding the effective date of the change. Employees may get the necessary enrollment forms from the District’s Benefits Website, (<https://www.lewistonschools.net/benefits/403b-retirement-savings/>), or in the Business Office. Additional information on District policies and other 403(b) plan rules can be obtained with the enrollment materials.

Annual contributions to the 403(b) plan are limited per IRS regulations. Below are the regulations for the 2020 calendar year.

Year	Basic Elective Contribution Limit	Age 50+ Catch-Up Contribution	15 Years of Service	Total Contribution Limit
2020	\$19,500	\$6,500	\$3,000	\$29,000

Disclosure to employees: The District has no liability for any employee’s election to participate in the 403(b) plan, choice of 403(b) vendor(s), or expected tax consequences resulting from participating in the 403(b) plan. The District does not provide tax, legal or investment advice and recommends that employees seek advice from professionals who specialize in these areas.

Browser window showing the URL: <https://www.lewistonschools.net/benefits/403b-retirem>. The page title is "403(b) Retirement Savings".

Navigation menu:

- DISTRICT INFORMATION
- PARENTS & PATRONS
- STAFF RESOURCES
- BIDS/RFP'S
- NEW HIGH SCHOOL
- NEWS
- YOUR LEWISTON SCHOOLS

Search bar: Search

403(b) Retirement Savings

On November 10, 2008, the Board of Directors adopted a 403(b) plan which conforms to new IRS Regulations. The plan is in effect as of January 1, 2009.

Two vendors have been selected to offer 403(b) accounts to District employees:

- American Fidelity Assurance (Annuities)
 - Information is available from American Fidelity at 1-800-662-1106.
- Aspire403b (Mutual Funds)
 - To obtain information about the Aspire403b plan, go to [Aspire403b](#). or telephone at 1-866- 634-5873 or 1-813-874-0671.

District policies relating to 403(b) and 401(k) options are summarized in the "Savings Handbook" adopted by the Board of Directs on November 10, 2008. To download or view a PDF file of this document click the document below.

Independent School District No. 1, Nez Perce County Idaho
3317 12th Street
Lewiston, ID 83501

**Salary Reduction Agreement for
403(b) Programs**

Part 1. Employee Information:

Name: _____ **SS#:** _____ **Emp. #** _____
Address: _____

Part 2. Agreement

The above named Employee elects to become a participant of the Employer's 403(b) Plan and agrees to be bound by all the terms and conditions of the plan. By executing this agreement, Employee authorizes Employer to reduce his or her compensation and have that amount contributed as an elective deferral and/or as a salary reduction contribution to the Roth 403(b) option if permitted in the plan, on his or her behalf into the annuity or custodial accounts as selected by Employee. It is intended that the requirements of all applicable state or federal income tax rules and regulations (Applicable Law) will be met. Employee understands and agrees to the following:

- 1) This Salary Reduction Agreement is legally binding and irrevocable with respect to amounts paid or available while this agreement is in effect;
- 2) This Salary Reduction Agreement may be terminated at any time for amounts not yet paid or available, and that a termination request is permanent and remains in effect until a new Salary Reduction Agreement is submitted; and
- 3) This Salary Reduction Agreement may be changed with respect to amounts not yet paid or available in accordance with Employer's administrative procedures.

Employee is responsible for providing the necessary information at the time of initial enrollment and later if there are any changes in any information necessary or advisable for Employer to administer the plan. Employee is responsible for determining that the salary reduction amount does not exceed the limits set forth in applicable law. Furthermore, Employee agrees to indemnify and hold Employer harmless against any and all actions, claims, and demands whatsoever that may arise from the purchase of annuities or custodial accounts. Employee acknowledges that Employer has made no representation to Employee regarding the advisability, appropriateness, or tax consequences of the purchase of the annuity and/or custodial account described herein. Employee agrees Employer shall have no liability whatsoever for any and all losses suffered by Employee with regard to his/her selection of the annuity and/or custodial account. Nothing herein shall affect the terms of employment between Employer and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

Employee is responsible for setting up and signing the legal documents to establish an annuity contract or custodial account. However, in certain group annuity contracts, Employer is required to establish the contract.

Employee is responsible for naming a death beneficiary under annuity contracts or custodial accounts. Employee acknowledges that this is normally done at the time the contract or account is established and reviewed periodically.

Employee is responsible for all distributions and any other transactions with Vendor. All rights under contracts or accounts are enforceable solely by Employee, Employee beneficiary, or Employee's authorized representative. Employee must deal directly with Vendor to make transfers, apply for hardship distributions, begin regular distributions, or any other transactions.

Part 3. Representation by Employee for Calendar Year – 2020:

A. Participation in other employer plans: (you must check only one)

_____ I do not and will not have any other elective deferrals, voluntary salary reduction contributions, or non-elective contributions with any other employer.

_____ I do participate in another employer's 403(b), 401(k), SIMPLE IRA/401(k), or Salary Reduction SEP. The following information pertains to all of my other employers for the current calendar year:

Includible Earnings \$_____; Elective Deferrals and/or salary reduction contributions to a Roth 403(b) or Roth 401(k) plan \$_____; Non-elective Contributions \$_____.

B. I have not received a Hardship Distribution from a plan of this Employer within the last six months. I further agree to provide notification to Employer prior to initiating a request if I plan to elect a hardship distribution during the term of this agreement.

C. Maximum Elective Deferral 403(b) salary reduction contribution: (you must check only one)

_____ My elective deferral/salary reduction contribution does not exceed the Basic Limit (the lesser of my includible compensation or \$19,500).

_____ My elective deferral exceeds the Basic Limit, however; the attached worksheets support the additional "Age 50 Catch-up provision" of \$6,500. I do not qualify for the special increased limit under the "15-year rule."

_____ My elective deferral exceeds the Basic Limit, however; the attached worksheets support the additional Catch-up provision for the "15-year rule" and the "Age 50 Catch-up provision" for this calendar year only. I understand that amounts in excess of the basic limit shall be allocated first to the "15-year rule" and next to the "Age 50 Catch-up provision."

Part 4. Voluntary Salary Reduction Information: (Check all that apply)

☐ Initiate new salary reduction

Please complete Part 5.

☐ Change salary reduction

This is notification to change the amount of my elective deferral to the new amount listed in Part 5.

☐ Change Funding Vehicle Provider

This is notification to change my Funding Vehicle – Complete Part 5.

☐ Discontinue salary reduction

Please discontinue my elective deferral to the following Funding Vehicle:

_____.

Implementation Date (next available pay on or after): _____.

(note that forms must be turned in on or before the payday prior to implementation date)

Part 5. Funding Vehicle & Amount of Pre-Tax Elective Deferrals:

	Contribution Per Pay Period	Funding Vehicles (Annuity Contracts or Custodial Accounts)
1.	<input type="checkbox"/> \$ _____	
2.	<input type="checkbox"/> \$ _____	
3.	<input type="checkbox"/> \$ _____	

Part 6. Employee Signature

I certify that I have read this complete agreement and provided the information necessary for Employer to administer the Plan and that my salary reductions will not exceed the elective deferral or contribution limits as determined by Applicable Law. I understand my responsibilities as an Employee under this Program, and I request that Employer take the action specified in this agreement. I understand that all rights under the annuity or custodial account established by me under the Program are enforceable solely by my beneficiary, my authorized representative or me.

Employee Signature: _____ Date: _____

Part 7. Employer Signature

Employer hereby agrees to this Salary Reduction Agreement:

Employer Signature: _____ Title: _____ Date: _____

Part 8. Financial Advisor

Name (Print) _____ Agency _____ Phone No. _____

Revision 07/01/2019

make an IDeal
decision for a child

Olivia





Calvin, Ben, Nick

Dear College Saver:

This is your IDeal opportunity to make a difference in a child's future. Whether an infant coming home for the first time, a kindergartner smiling on their first day of school, or a high school graduate walking across the stage to shake hands with the principal, all children deserve a future full of possibilities. With IDeal — Idaho College Savings Program, you can start saving now to help the child you care about have the future they deserve.

With IDeal, you can:

- **Start with as little as \$25.** Open an IDeal account with as little as \$25 (\$15 per pay period deduction, if offered by your employer). You can make additional contributions of \$25 or more to your account whenever you like.
- **Save on taxes.** Your account grows tax-deferred, and withdrawals used for qualified educational expenses are tax-free.¹ You can also receive an Idaho state income tax deduction of up to \$6,000 per year (\$12,000 if married filing jointly).²
- **Savings can be used at any K-12 public, private or parochial school and at any eligible higher education institution across the country.** That includes public or private college, vocational and technical schools, career retraining and graduate schools.
- **Encourage friends and family involved.** With Ugift®, anyone can easily contribute to your account at any time —in lieu of one more birthday or holiday gifts.
- **Choose from a variety of investments.** You can create an investment allocation that matches your goals and risk comfort level.
- **Save even more.** Upromise® can help you earn college savings on your eligible everyday purchases.

I hope you find this Highlights Booklet and the accompanying Disclosure Statement helpful. To learn more about IDeal call **1-866-433-2533** or visit **www.idsave.org**.

Thank you for considering IDeal for your education savings needs.

Sincerely,

Christine Stoll
Executive Director on behalf of the Idaho College Savings Board



Why save for college? Why save now?

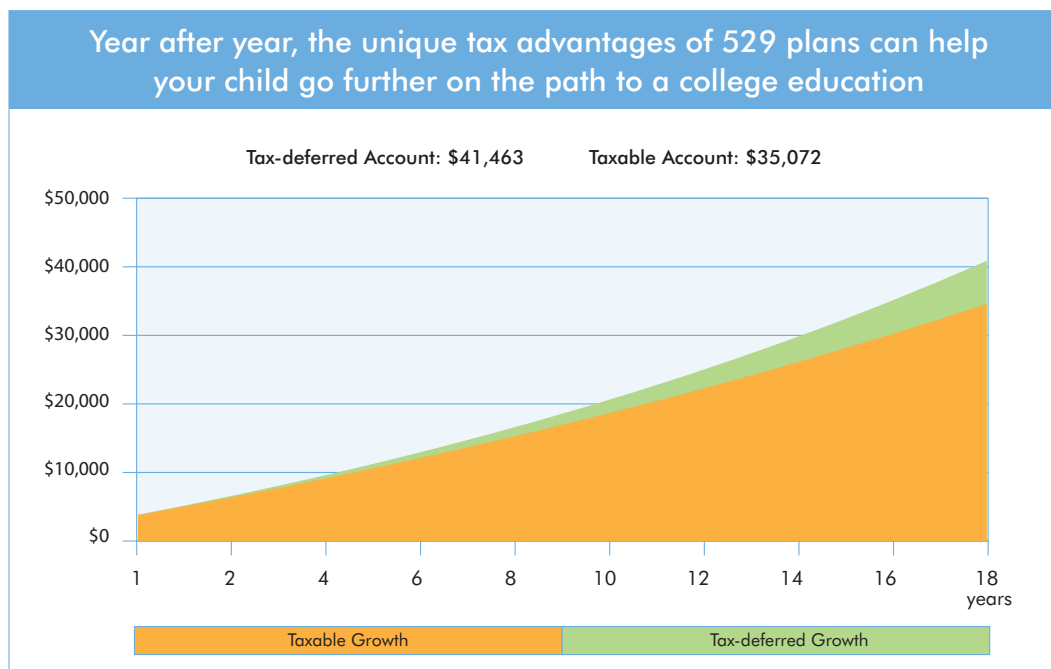
Between 2008-09 and 2018-19, the average published tuition and fees at public four-year colleges and universities increased by \$2,670 (35%) in 2018.³

If you start saving, even a modest amount each month can make a difference by the time your child is ready to go to college. In addition, paying with savings is usually less expensive than paying with borrowed money. By saving, you have the potential to make more than you put in with the earnings on your investments — and you don't have to pay any interest on borrowed money.

Why save with a 529 plan?

529 plans were specifically designed to help families save for college. Because they allow your savings to grow tax-deferred and withdrawals used for qualified educational expenses are generally tax-free⁴, your money has the potential to stretch further than it could with a savings method that doesn't offer these same tax advantages.¹

The example below illustrates the power of tax-free savings with a 529 plan. In both cases, it begins with an initial investment of \$2,500 and continues with monthly contributions of \$100. After 18 years, the tax-deferred account is worth more.[†]



[†] Assumptions: \$2,500 initial investment with subsequent monthly investments of \$100 for a period of 18 years; annual rate of return on investment of 5% and no funds withdrawn during the time period specified; taxpayer is in the 30% federal income tax bracket for all options at the time of contributions and distribution. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or any taxes or penalties payable/due upon distribution. A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

¹ Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

² You will be required to include the entire amount of non-qualified distributions or transfers to another state's 529 plan in your Idaho taxable income if you claimed an Idaho tax deduction.

³ <https://trends.collegeboard.org/sites/default/files/2018-trends-in-college-pricing.pdf>

⁴ Contributions to the IDeal - Idaho College Savings Program are deductible from Idaho state income tax, subject to recapture in certain circumstances, such as a nonqualified withdrawal or a rollover to another state's qualified tuition program in the year of the rollover and the prior tax year.

Welcome to IDeal – Idaho College Savings Program

IDeal is a 529 college savings plan designed to help individuals and families save for education in a tax-advantaged way. It offers advantages including tax-deferred growth, generous contribution limits, attractive investment options and professional investment management. IDeal is offered by the Idaho College Savings Program Board, with program management by Ascensus Broker Dealer Services, LLC., investment management by The Vanguard Group, Inc., and the Savings Portfolio managed by Sallie Mae Bank.

Here are some highlights:

IDeal tax benefits give you even more reasons to save for college

With IDeal, your earnings grow free from both federal and state taxes. And, when it's time to begin paying for education, you can withdraw assets tax-free for qualified education expenses.⁵ Furthermore, Idaho taxpayers can receive a state income tax deduction up to \$6,000 per year (\$12,000 if married filing jointly).⁶ This tax deduction is available to any Idaho taxpayer contributing to the account, not just the account owner. With these benefits and more, IDeal lets you focus on the excitement of saving for education.

Investments with a leader in financial services

The Vanguard Group, Inc. is well known for its dedication to outstanding investment performance, superior service, and low costs. Most IDeal investment options are managed by Vanguard, and they provide a number of flexible investment options to suit both your timeframe and risk preferences.



Powerful estate planning benefits

Contributions to IDeal qualify for the federal \$15,000 annual gift exclusion. And, if you're hoping to decrease your personal taxable estate, you can make five years of gifts (up to \$75,000) in one lump sum with the same gift exclusion benefit.³

Program management from the experts

Ascensus Broker Dealer Services, LLC, provides program management for IDeal. They currently administer 529 college savings accounts for more than 4 million investors around the country with more than \$90 billion in combined assets under administration. With so much experience taking care of investors, you can count on excellent customer service.

Friends and family can contribute

Anyone can contribute to your Beneficiary's account, enabling friends and family members to give a meaningful gift toward his or her education. But for simplicity and security, only you maintain control of the assets. Anyone can contribute to the account and Idaho taxpayers may take a tax deduction for contributions and gifts.

Flexible asset distribution

You can apply your IDeal assets to any eligible college, university, or institution of higher education as well as K-12 public, private and religious schools—not just ones in Idaho and in some cases internationally. See IRS Publication 970. The money travels with your Beneficiary, whatever their dreams may be and wherever they decide to pursue them.⁵

Online account management capabilities

You'll have virtual 24/7 online account access to do things like exchange assets, make withdrawals, change your contribution allocations, update your address, and manage your bank information. By taking advantage of this accessibility, you can save time by making changes or additions to your plan when it's most convenient for you.

Ugift®

Ugift is an easy, free-to-use service that lets family and friends make the meaningful gift of money into your IDeal account. Ugift makes it easy to get help from your network of family and friends. Instead of giving toys, clothes or other traditional gifts that a child will outgrow, gift givers get the satisfaction of knowing that their generosity can make a lasting impression. After you open an IDeal account, you can opt in to Ugift at any time through your online account access area. Once opted in, you will be given a unique Ugift code specific to your account's beneficiary. You can then share your Ugift code with family and friends.



An opportunity to add to your college savings while you shop

Upromise helps you save for college by giving you back a percentage of your eligible purchases from hundreds of participating companies. Here's how it works: Join Upromise for free and then do what you normally do—buy groceries, fill the gas tank, shop online, book travel, dine at restaurants, and more. Enrollment is free; all you have to do is register (which can be done easily online at www.upromise.com) and link your Upromise rewards service account to your IDeal account. Then, your earnings will transfer to your IDeal account periodically (subject to a \$25 minimum transfer amount).⁷



⁵ Any earnings are Idaho and federally tax-free when used to pay for qualified expenses. Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements. See the Disclosure Statement for more details on qualified expenses.

⁶ You will be required to include the entire amount of non-qualified distributions or transfers to another state's 529 plan in your Idaho taxable income if you claimed an Idaho tax deduction. If you roll assets from your Account into a 529 Plan offered by another state or an ABLE Plan, Idaho's tax code requires the recapture of any amounts contributed to the Plan and taken as a state tax deduction in the year of the Rollover and the prior taxable year.

⁷ Upromise is an optional program offered by Upromise, Inc., is separate from IDeal, and is not affiliated with the State of Idaho. Specific terms and conditions apply. Participating companies, contribution levels and conditions subject to change without notice. Transfers subject to a \$25 minimum.

Investing with IDeal

IDeal provides different types of investments to suit your personal investment preferences. You'll find options designed to fit both your timeframe and how comfortable you are with different levels of investment risk.

There are nine different Vanguard-managed investment options you can choose from, all with a low total annual asset-based fee of 0.49%. All but the Interest Accumulation Portfolio are comprised of multiple mutual funds. The asset allocation determines whether the portfolio is more aggressive or more conservative. In general, the more aggressively a portfolio is invested, the greater potential for higher returns and the greater potential for risk involved. The Savings Portfolio, the most conservative option, managed by Sallie Mae Bank, has an asset-based fee of 0.34% and is the only portfolio that is an FDIC-insured option.*

Age-Based Options

In simple terms, the Age-Based Options are "autopilot" investments that you choose once and let run their course. First, you choose an Age-Based Option that matches your comfort level of investment risk. For example, if you're more comfortable with a higher level of investment risk, you might choose the Aggressive Portfolio. It is automatically invested according to the type of portfolio you selected (Aggressive) AND your Beneficiary's current age.

As your Beneficiary nears college age, your account automatically shifts to a more conservative portfolio that assumes a lower level of investment risk. The idea is that the older the child is, the sooner he or she will need to start using the money, so the funds are invested in a way that helps to preserve the money for immediate use. This option might not be the best for K-12 education savings.**

Fixed Asset Allocation Portfolios

Unlike the Age-Based Options, the Fixed Asset Allocation Portfolios do not change asset allocations as your Beneficiary nears college age. Instead, the asset allocation of each portfolio remains the same from the day you select it unless you decide to change investment portfolios yourself at a later time.

If you choose to invest in Fixed Asset Allocation Portfolios that have a significant weighting in stocks, you might consider moving your assets to more conservative portfolios as your Beneficiary approaches college age.

Fixed Asset Allocation Portfolios

- Aggressive Growth Portfolio
- Growth Portfolio
- Moderate Growth Portfolio
- Conservative Growth Portfolio
- Income Portfolio
- Interest Accumulation Portfolio

Savings Portfolio

The Savings Portfolio is a lower-risk, Federal Deposit Insurance Corporation (FDIC)-insured option for account owners seeking a conservative investment choice for their college savings. It is managed by Sallie Mae Bank.

























The Savings Portfolio

- Seeks to provide income consistent with the preservation of principal.
- Invests 100% of its assets in the Sallie Mae High-Yield Savings Account (HYSA).*

*The Savings Portfolio invests all of its assets in the Sallie Mae High-Yield Savings Account, ("HYSA"). The HYSA is held in an omnibus savings account insured by the Federal Deposit Insurance Corporation ("FDIC"), which is held in trust by the Idaho College Savings Program Board ("Board") at Sallie Mae Bank. Contributions to and earnings on the investments in the Savings Portfolio are insured by the FDIC on a pass-through basis to each account owner up to \$250,000, the maximum amount set by federal law. The amount of FDIC insurance provided to an account owner is based on the total of (a) the value of an account owner's investment in the Savings Portfolio; and (b) the value of all other accounts held by the account owner at Sallie Mae Bank, as determined by Sallie Mae Bank and FDIC regulations. Except for the Savings Portfolio, investments in IDeal – Idaho College Savings Program are not insured by the FDIC.

**Certain investment options may be less suitable for short term investments. The age-based options are designed to take into account a beneficiary's age and the number of years until higher education, and are not designed for saving for K-12 tuition expenses.

Investment Schedule for Age-Based Options

Age-Based Options			
Age of Beneficiary	Conservative	Moderate	Aggressive
4 or younger	Blended Growth Portfolio  <ul style="list-style-type: none"> 62.5% Stocks 37.5% Bonds 	Moderately Aggressive Growth Portfolio  <ul style="list-style-type: none"> 87.5% Stocks 12.5% Bonds 	Aggressive Growth Portfolio  <ul style="list-style-type: none"> 100% Stocks
	Moderate Growth Portfolio  <ul style="list-style-type: none"> 50% Stocks 50% Bonds 	Growth Portfolio  <ul style="list-style-type: none"> 75% Stocks 25% Bonds 	Moderately Aggressive Growth Portfolio  <ul style="list-style-type: none"> 87.5% Stocks 12.5% Bonds
5 to 6	Moderately Conservative Growth Portfolio  <ul style="list-style-type: none"> 37.5% Stocks 62.5% Bonds 	Blended Growth Portfolio  <ul style="list-style-type: none"> 62.5% Stocks 37.5% Bonds 	Growth Portfolio  <ul style="list-style-type: none"> 75% Stocks 25% Bonds
	Conservative Growth Portfolio  <ul style="list-style-type: none"> 25% Stocks 75% Bonds 	Moderate Growth Portfolio  <ul style="list-style-type: none"> 50% Stocks 50% Bonds 	Blended Growth Portfolio  <ul style="list-style-type: none"> 62.5% Stocks 37.5% Bonds
7 to 9	Blended Income Portfolio  <ul style="list-style-type: none"> 12.5% Stocks 87.5% Bonds 	Moderately Conservative Growth Portfolio  <ul style="list-style-type: none"> 37.5% Stocks 62.5% Bonds 	Moderate Growth Portfolio  <ul style="list-style-type: none"> 50% Stocks 50% Bonds
	Income Portfolio  <ul style="list-style-type: none"> 75% Bonds 25% Stable Value Securities 	Conservative Growth Portfolio  <ul style="list-style-type: none"> 25% Stocks 75% Bonds 	Moderately Conservative Growth Portfolio  <ul style="list-style-type: none"> 37.5% Stocks 62.5% Bonds
10 to 11	Income Portfolio  <ul style="list-style-type: none"> 75% Bonds 25% Stable Value Securities 	Blended Income Portfolio  <ul style="list-style-type: none"> 12.5% Stocks 87.5% Bonds 	Conservative Growth Portfolio  <ul style="list-style-type: none"> 25% Stocks 75% Bonds
	Interest Accumulation Portfolio  <ul style="list-style-type: none"> 100% Stable Value Securities 	Income Portfolio  <ul style="list-style-type: none"> 75% Bonds 25% Stable Value Securities 	Blended Income Portfolio  <ul style="list-style-type: none"> 12.5% Stocks 87.5% Bonds
12 to 14			
15 to 16			
17 to 18			
19 or older			

You could lose money by investing in a portfolio which includes the Vanguard Short-Term Reserves Account which in turn invests in the Vanguard Federal Money Market Fund. Although the money market fund in which your investment option invests (the "underlying fund") seeks to preserve its value at \$1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund's sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

Answers to Your Questions

What is IDeal?

IDeal is a 529 college savings plan designed to help individuals and families save for college in a tax-advantaged way. It offers advantages including: tax-deferred growth, generous contribution limits, attractive investment options and professional investment management. IDeal is offered by the Idaho College Savings Program Board, with program management by Ascensus Broker Dealer Services, LLC. and investment management by The Vanguard Group, Inc. The Savings Portfolio, is managed by Sallie Mae Bank.

How does IDeal work?

When you enroll in IDeal, you choose to invest in one or more of ten different investment options which are either age-based or fixed asset allocation portfolios, based upon your investing preferences and risk tolerance. Each investment option is comprised of mutual funds offered by The Vanguard Group, Inc., or the FDIC-insured Savings Portfolio, managed by Sallie Mae Bank. All of the contributions made to your account grow tax-deferred and the distributions are federally and Idaho state tax-free if used for qualified expenses.⁸

How do I open an account?

To open an account, IDeal must receive a completed Enrollment Form, which is a contract between the Account Owner and the Idaho College Savings Program Trust (Trust) establishing the obligations of each. You may enroll online or by mail. IDeal cannot process the Enrollment Form if any of the required information is not provided. IDeal has the sole discretion to determine whether an Enrollment Form is complete and accepted and whether the Account has been opened.

What are the fees associated with IDeal?

IDeal has no commissions, loads or sales charges. The total annual asset-based fee is 0.49% (\$4.90 per \$1,000 invested), and there is a \$20 annual account fee if neither the Account Owner nor the Beneficiary is an Idaho resident.

Does IDeal offer any tax benefits?

Yes. IDeal offers both Idaho State and federal tax benefits, starting with tax-deferred savings and an Idaho state income tax deduction for Idaho taxpayers.⁹ Any earnings are Idaho and federally tax-free¹⁰ when used to pay for qualified expenses.⁸

How does the state income tax deduction work for IDeal?

The state income tax deduction is available only to Idaho taxpayers. Currently, Idaho taxpayers receive a maximum \$6,000 income tax deduction per individual taxpayer (\$12,000 if married filing jointly) from their state adjusted gross income annually for contributions to IDeal. This tax deduction is available to any Idaho taxpayer contributing to the account, not just the account owner. To take advantage of this income tax deduction for a particular year, your contribution needs to be postmarked by December 31 of that year.⁹

When can I enroll a newborn?

A newborn may be enrolled at any time, but you are required to submit the Beneficiary's Social Security number on the Enrollment Form. In anticipation of the birth or adoption of a child, you may open an Account naming yourself as the Beneficiary and then transfer the account at a later date.

Does my beneficiary have to attend college in Idaho?

No. You can use the assets in your account toward the costs of nearly any public or private, 2-year or 4-year college nationwide, as long as the student is enrolled in a U.S.-accredited college, university, graduate school, or technical school that is eligible to participate in U.S. Department of Education student financial aid programs. In fact, many U.S. colleges and universities now have campuses or locations outside of the country, where money from your account can be used.

Can I use my Idaho 529 funds to pay for K-12 expenses?

Yes- funds from your IDeal account can also be used to pay for qualified K-12 tuition expenses only. These withdrawals are limited to \$10,000 per year, per student at K-12 public, private and religious schools. These withdrawals are qualified expenses with respect to the state and federal tax benefits.

If you are not an Idaho taxpayer, the state(s) where you pay income tax may differ in its state income tax treatment of K-12 Tuition Expenses.

It is the account owner's responsibility to ensure that distributions for K-12 Tuition Expenses do not exceed the limit for a beneficiary. You should consult with a tax advisor regarding your individual situation.

What is Upromise®?

Upromise is a separate, optional program offered by Upromise, Inc. Enrollment is free and creates an additional opportunity to help grow your college savings with eligible purchases you most likely make every day. Upromise members receive a percentage of their qualified spending made at hundreds of participating retailers and businesses back as college savings. Even better, when members link their Upromise account to their 529, that money is automatically transferred into their IDeal account(s) (a \$25 minimum amount applies) periodically.⁷ For more information visit www.upromise.com.

If I enroll in IDeal, can I still apply for financial aid?

Absolutely! Participation in IDeal does not limit a Beneficiary's receipt of merit-based financial aid, including academic or athletic scholarships. Like most investments, however, it may have an impact on your ability to receive needs-based financial aid. Also remember, most needs-based financial aid awarded is actually in the form of loans that need to be repaid, not grants. While many parents and grandparents are often concerned about this issue, a 529 plan may help you reduce the amount of debt your child has to take on in the form of loans. Make sure to clarify any questions you have on this matter with a financial advisor.

What if my child does not go to college immediately after high school?

IDeal does not require the beneficiary to attend college immediately after graduating high school. There are no restrictions or time limits on when you can use your Account to pay for college expenses.

What if I already have a 529 plan? Can I transfer my account to IDeal?

Yes. We will accept a properly executed roll over from another qualified tuition program into IDeal.

Do my contributions to IDeal qualify as a gift under federal law?

The Internal Revenue Code provides that payments to an account are completed gifts for federal gift tax purposes. Under certain conditions, you can contribute up to \$75,000 immediately (\$150,000 for married couples) and average the total out over five years to remain within the \$15,000 annual gift-tax exclusion.¹¹ Please consult your tax advisor for more information.



⁸ Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

⁹ You will be required to include the entire amount of non-qualified distributions or transfers to another state's 529 plan in your Idaho taxable income.

¹⁰ Contributions to the IDeal - Idaho College Savings Program are deductible from Idaho state income tax, subject to recapture in certain circumstances, such as a non-qualified withdrawal or a rollover to another state's qualified tuition program in the year of the rollover and the prior tax year.

¹¹ In the event you do not survive the 5-year period, a pro-rated amount will revert back to your taxable estate.



Lily

How to Enroll


1	Read this entire Enrollment Kit, including the Disclosure Statement carefully before investing. It includes the most complete information on IDeal.
2	Decide which investment approach is best for you. Your investment choices will be applied to all future contributions. Twice per calendar year you may move existing plan assets into different investment options. However, you may change the investment approach to future investments at any time.
3	Enroll. Note that you will need to enroll each Beneficiary separately.

Online. The fastest way to open your account is to go to **www.idsaves.org** and click on “Enroll.” You can open and begin managing your account immediately. To get started, you’ll need:

- Your Social Security number;
- Your Beneficiary’s Social Security number and date of birth;
- Your e-mail address; and
- Your bank checking or savings account number and routing number (if you want to contribute electronically via bank transfer).

By mail. Complete the enclosed Enrollment Form and mail it with your check to:

IDeal — Idaho College Savings Program
P.O. Box 219944
Kansas City, MO 64121



For more information about the Idaho College Savings Program ("IDeal"), call 866-433-2533 or visit idsaves.org to obtain a Disclosure Statement. The Disclosure Statement discusses investment objectives, risks, charges, expenses, and other important information. Because investing in IDeal is an important decision for you and your family, you should read and consider the Disclosure Statement carefully before investing.

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

IDeal is administered by the Idaho College Savings Program Board ("Board"). Ascensus Broker Dealer Services, LLC. ("ABD"), the program manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing. The Vanguard Group, Inc. ("Vanguard") serves as Investment Manager for IDeal. Sallie Mae Bank serves as the Savings Portfolio Manager for IDeal. IDeal's Portfolios invest in either: (i) mutual funds and a separate account offered or managed by Vanguard; or (ii) an FDIC-insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in IDeal are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in IDeal, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

Upromise is an optional program offered by Upromise, Inc., is separate from the Idaho College Savings Program, and is not affiliated with the State of Idaho. Terms and conditions apply to the Upromise service. Participating companies, contribution levels, and terms and conditions are subject to change at any time without notice. Transfers from Upromise to an Idaho College Savings Program account are subject to a \$25 minimum.

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IDEAL — Idaho College Savings Program
P.O. Box 219944
Kansas City, MO 64121

E-mail

clientservice@idsaves.org

Phone

1-866-433-2533

Online

www.idsaves.org





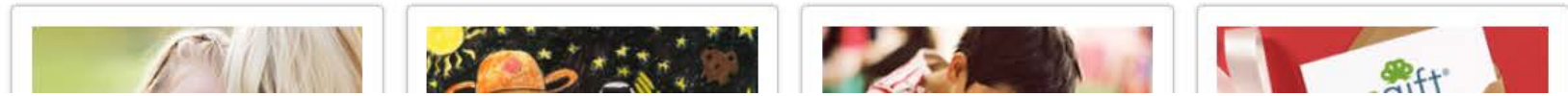
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An IDEal gift for any child

Ugift® - the gift of college savings

Learn more

In their own words

Learn more

Get started for \$25

Learn more



gettingstarted

Setting up your IDeal – Idaho College Savings Program Account

Please have this information ready before you start...



About you: Address, birth date, Social Security number*



About your investments (how your contributions will be invested): To learn more, see the [Disclosure Statement](#)



About your successor (optional, but recommended-the adult who'll be in charge of the account in the event of your death): Birth date



About your bank (if you're going to have contributions taken from a checking or savings account): The account number for your account, routing number for your bank and/or a "voided" blank check



About your beneficiary (the person for whom you're saving): Birth date, Social Security number*

If you are opening an UGMA/UTMA account use this [form](#).

*We are required by federal law to obtain, verify, and record information that identifies each person who opens an account. If you don't provide the requested information, we may not be able to open your account. If we are unable to verify your identity, the Plan reserves the right to close your account and return any contributions or take other steps we deem reasonable.

New Account Owners

To open a new account, fill in the information below and click **continue**.

First Name

Last Name

Email

Primary Telephone

Promo Code (optional)

continue

Existing Account Owners

To open additional accounts, sign in then select "Open a New 529 Account". To make it easier we'll prefill your information on the new application.

Username

[I Forgot My User Name](#)

[I Forgot My Password](#)

[Sign up for online access](#)

continue