

## **Voluntary 403(b) Retirement Plan**

Our voluntary 403(b) Savings Program is a convenient, tax-advantaged way to save for retirement. Working with Morgan Stanley and the American Funds for a choice of investment options, our 403(b) Plan (*[click here view the complete Plan Document](#)*) is a defined contribution plan described under §403(b) of the Internal Revenue Code. Future benefits from the 403(b) Plan will reflect the amount of a participant's voluntary salary deferral contributions plus earnings. Vesting is immediate.

Employees who want to participate in the 403(b) Plan designate a portion of their gross salary to be contributed on a pretax basis, thus reducing the participant's taxable income. Taxes on contributions and any earnings are deferred (that is, postponed) until the participant withdraws the money. The Agency administers the 403(b) Plan for the sole benefit of Plan participants and their beneficiaries. Participation is voluntary and should be based on the participant's financial objectives and resources. Individual investment strategies should reflect the participant's personal savings goals and tolerance for financial risk. Participants may also want to consult a tax advisor or financial planner before enrolling. FCEOC, Morgan Stanley, and/or American Funds are not liable for any loss that may result from participants' investment decisions.

Salary deferral contributions to the 403(b) Plan come only from income paid through the Agency. Contributions to the 403(b) Plan are reported annually on employees' W-2 forms, but are not included in income subject to taxation. 403(b) Plan salary deferral contributions are deducted from gross salary (after any other pretax deductions for medical plan premiums), and income taxes are calculated on remaining pay. Although 403(b) Plan salary deferral contributions reduce taxable income, they do not reduce any other salary-related agency benefits such as vacation or sick leave, life or disability insurance benefits. Upon enrollment, participants choose the flat dollar amount or percentage of salary that they will contribute through payroll deduction, up to their maximum annual contribution amount allowed by the IRS. Under the percentage method, contributions change proportionately as the participant's salary changes.

You choose the investment options in which you want to invest your contributions. The "Investment Options" are explained in the American Funds brochure. Subject to payroll deadlines, participants may start, stop or change the amount of their contributions to the Plan. You also may redirect future 403(b) Plan contributions to one or more of the investment options and/or exchange (transfer) accumulations in the Plan among the investment options.

Participants in defined contribution plans are responsible for determining which, if any, investment vehicles best serve their retirement objectives. The 403(b) Plan assets are invested solely in accordance with the participant's instructions. You should periodically review whether your objectives are being met, and if the objectives have

changed, you should make the appropriate changes. Careful planning with a tax advisor or financial planner will help to ensure better supplemental retirement savings.

Neither the Agency, Morgan Stanley, nor American Funds bear any fiduciary liability for any losses resulting from a participant's investment instructions. The Agency reserves the right to refuse to implement any investment instruction from a participant that violates Plan rules or IRC provisions. All elections concerning contributions to the 403(b) Plan are subject to payroll transaction and fund valuation deadlines.

The Plan is subject to change and to independent audit to comply with applicable federal and state statutes, IRC regulations and industry standards. Participants are notified in writing whenever substantive changes to the Plan occur. Although the Plan is expected to continue indefinitely, the Agency reserves the right to amend or terminate the Plan at any time.

To enroll in the 403(b) Retirement Plan:

- Read the [American Funds 403\(b\) Retirement Plan Information Brochure](#).
- Print and complete the Application Form (pages 7 -10) and the Salary Deferral Agreement Form (page 12) included in the brochure.
- Submit both completed forms to:  
Morgan Stanley  
c/o Kia Yang  
9 River Park Place East Suite 400  
Fresno, CA 93720

If you have any questions, please feel free to contact Human Resources.  
For assistance regarding the American Funds, contact Kia Yang at 433-1330.