

New 403(b) Regulations And What It Means To You

In July 2007, the IRS introduced major changes that have significantly transformed 403(b) plans from an employee-controlled, tax sheltered account to a fully integrated plan for which employers have responsibility for plan development, investment provider choices, plan administration and regulatory compliance.

The following will be required of employers as part of the new regulations: Creation of a Plan Document spelling out rules of the plan. Universal availability notification – employers must regularly notify all eligible employees of their ability to participate.



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Restrictions added to 403(b) transfers, and an end to the “old style” 90-24 transfers. What does all this mean to you?

For the first time employees will have access to transparent employer-created plan information. Any questions you have regarding what can and can't be done with your accounts, and which companies are available for you to use, will be answered in the Plan Document.

The elimination of 90-24 transfers limits your currently flexibility to move your money if you are not happy with where it is invested. Under the old rules, a participant in a 403(b) plan could move the money accumulated under his employer's program to another product offered by an insurance company or mutual fund. Now, while an individual can still perform these transfers, it has to be done under an “information sharing agreement” in which employers have to approve the investment provider and product that the account is being transferred to.

The new regulations, which take effect January 1, 2009, will make 403(b)s work much like 401(k)s. Public schools and universities, who sponsor these plans, will be most affected by these changes.

A 403(b) plan is a type of tax-deferred retirement savings program that is available to employees of public schools, employees of certain non-profit entities, and some members of the clergy. You can defer the income tax on your contributions until you begin making withdrawals from your account – typically after you retire. The earnings on your account also grow tax-free until withdrawal. 403(b) plans typically offer fixed annuities, variable annuities, and mutual funds.

If you have a current 403(b) account or plan to open a new 403(b) account, I recommend you speak to a financial advisor with experience in the 403(b) markets. Many of the new regulations are still being interpreted, and it may take a few months before your employer provides information on what they are doing in regards to the regulations.

Questions about this article can be directed to May Tran, a Certified Financial Planner at Smith-Mottini Financial Advisors. She can be reached at (916)797-1020 or <mailto:mtran@PlanWellLiveWell.com>

KEEPING TRACEY'S HOPE ALIVE

BILETNIKOFF FOUNDATION CELEBRITY GOLF CLASSIC TEES OFF JUNE 2

STORY BY
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On June 2, the Biletnikoff Foundation is hosting the 4th annual Biletnikoff Celebrity Golf Classic to raise money to build Tracey's Place of Hope in Placer County, a rehabilitation home dedicated to helping teens escape alcohol, drugs and violence.

The event will be held at Catta Verdera Country Club in Lincoln and attended by more than 40 celebrities including NFL greats, other sports legends and Hollywood stars such as James Caan.

The Biletnikoff Foundation was established in memory of Tracey Biletnikoff, daughter of former Raider NFL receiver and Hall of Famer Fred Biletnikoff, who at 20 years of age was brutally murdered by someone she knew in 1999.

Like all parents, Fred and Angela Biletnikoff never expected to have their child consumed by addiction, or to be slain by someone she knew who was consumed by addiction. When she was murdered, Tracey was working toward becoming a drug rehabilitation counselor at



Tracey Biletnikoff, left, with her father, Fred before she died. A golf tournament to raise money for Tracey's Place, a rehabilitation center, will be held June 2 at Catta Verdera.

the facility that helped her overcome substance abuse – The Women's Recovery Association (WRA) in San Mateo.

In response to the memorial services for Tracey, the Biletnikoffs asked for donations to the WRA in lieu of flowers. More than \$12,000 was raised in one weekend, according to Fred. Since then, the Biletnikoffs formed the Biletnikoff Foundation dedicated to helping teens escape drug and alcohol addiction and violence, which has been a mainstay benefactor for Tracey's Place of Hope, a special service unit catering to teens at WRA in honor of Tracey.

When asked about Tracey's Place of Hope, Angela described how before her daughter died she had emerged from the rehabilitation process completely transformed back into the daughter she and her husband Fred knew.

“It was a miracle,” says Angela. “I cannot express the gratitude in our hearts. Fred and I were so grateful to have our daughter returned to us.”

And it was Tracey's most sincere desire to help other teens escape the trap into which she had fallen. By auctioning and raffling footballs signed by her NFL-Hall-of-Famer-dad, she began a career devoted to helping teens recover from substance abuse.

In spite of her untimely and brutal death, the Biletnikoff's gratitude for having Tracey returned to them as a result of

quality rehabilitation remains strong. Through the fund development efforts of the Biletnikoff Foundation, Tracey's parents keep alive her hope that any adolescent who is addicted to drugs and alcohol can be recovered through counseling services and rehabilitation designed for teens. Tracey had emerged from rehabilitation reinvigorated, her heart full of optimism for the future, not only for herself but also for others like her who have fallen into addiction.

“To this day, the girls in the program still talk about her all the time,” says Linda Carlson, the executive director of WRA that houses Tracey's Place of Hope in San Mateo. “Tracey is here!” they will say, even though they have never met her.

Tracey's Place of Hope to be built in Placer County will be a 6-bed residential facility to be operated by Families First. Laura Heintz is the executive director. The Biletnikoff Foundation is searching for a site to purchase, and within six months after purchase they will be open for business. The facility will offer substance abuse and mental health treatment for girls who have fallen into addiction and abuse.

For more information about the Biletnikoff Celebrity Golf Classic on June 2 go to www.biletnikoff.net or contact: Marnie Rosellini (925)556-2525.

– Joanna Jullien is a freelance writer and can be reached at www.bananamoments.com.

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