



The 403(b) Plan

Redefining Retirement



Located at Suncoast Schools Federal Credit Union



The 403(b) Plan

Your Retirement Matters Now.

As an employee of a public school, you have a unique opportunity to invest for retirement through a 403(b) tax-sheltered retirement plan.

Today, it's more critical than ever that you make time for investing in your future - especially since traditional income sources of income, such as pensions or Social Security, may not be enough for a retirement that may last 30 years or more. You need other ways to save, and that's where Suncoast Trust & Investment Services* comes in. Contributing to a 403(b) retirement program available through your school district allows you to invest money toward your retirement goals every time you get paid.



Since 1987, Suncoast Trust & Investment Services*, located at Suncoast Schools Federal Credit Union, has helped school employees prepare for retirement by making available a 403(b) retirement account offered by MEMBERS Trust Company.



The 403(b) Advantage

- ◆ You determine the amount you want to contribute before tax from your paycheck up to the maximum annual limit. This may reduce your federal income tax.
- ◆ You can contribute automatically from your paycheck through payroll deduction. Once received, your contribution will grow tax-deferred.
- ◆ You are free to change the amount of your contribution and your investments as your goals change.
- ◆ You get emergency access to your money through loan features which allow you to borrow up to 50% from your account balance.
- ◆ You can buy credits for additional “years of service” in the Florida Retirement System (FRS) pension plan through a direct, tax-free transfer. Talk to your employer to learn more about this opportunity.
- ◆ You don’t have to wait until age 59½ to gain access to your account. If you separate from your employer on or after attaining age 55, you have penalty-free access to your account.

The Facts About Retirement

Fact: You’re planning for a long retirement.

You could spend up to 1/3 of your life in retirement. In 1950, life expectancy was 75 years; today it’s approaching 83 years.¹ Proper financial planning can help ensure that assets last a lifetime.

Fact: You’ll need to replace more of your income.

A general rule of thumb assumes that retirees will need roughly 75% of their current income during retirement. Social Security provides today’s retirees with only 39% of their total income and is expected to provide proportionately less of the total in the future.² To help meet future income needs, a workplace retirement plan can provide an added source of income.

Fact: Inflation shrinks your buying power.

By the time you retire, you’ll likely be living in a more expensive world. Consider that over the past 20 years, the average annual rate of inflation has been 3.08%.³ At that rate, in 20 years, a \$50,000 income earned today will need to grow to \$91,785 just to maintain the same level of buying power. To keep up, consider increasing the amount you invest for retirement each year.

1. Source: Social Security Administration, Cohort Life Expectancies, Low, intermediate and high cost projections, 2005-2080.

2. Source: U.S. Census Bureau, Current Population Survey, 2006 Annual Social and Economic Supplement.

3. Source: Standard & Poor’s Micropal, as of June 2007.



Pay less in taxes, keep more for what really matters to you.

It's Your Benefit Save on Taxes

Salary deferrals are your opportunity to save for retirement now and pay taxes later. Since contributions are made on a pre-tax basis, the impact on your take-home pay is minimal.

	Not Participating	Participating
Weekly Pay	\$900	\$900
Salary Deferral	\$0	\$60
Taxable Amount	\$900	\$840
Take-home after taxes	\$648	\$604.80

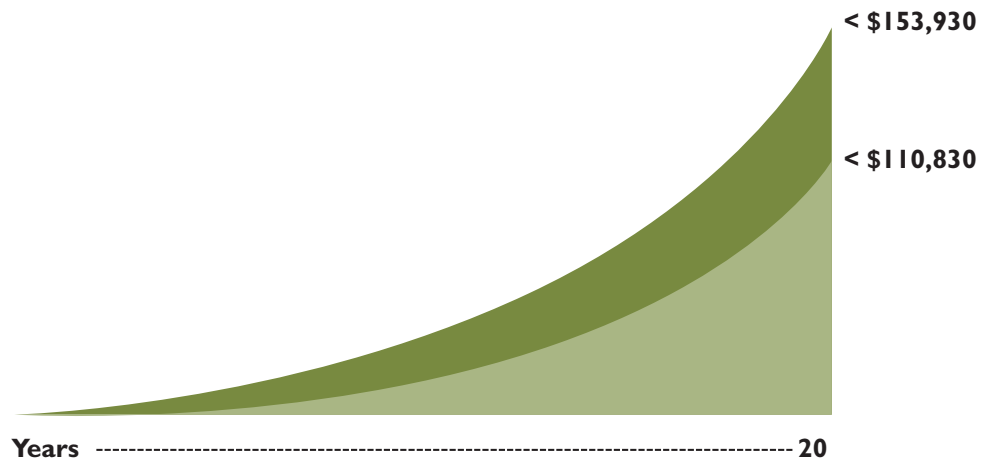
based on 28% tax bracket

Difference \$43.20

Spend \$43.20 and save \$60.00!

Boost Growth Potential Tax-Deferred Compounding

To see how a \$60.00 weekly contribution would add up over the years, consider the following: In just 20 years, savings in a tax-deferred 403(b) Plan will outpace a taxable savings account by 30%. As you can see, the funds in your 403(b) account would total \$153,930 compared to over \$110,830 in the taxable account.



This example assumes a hypothetical 8% annual return before inflation with all capital gains and dividends reinvested. It also assumes a 28% tax rate on savings.



Fundamentals of Investing

When building an investment plan, it's important to have some guidelines to keep you on track with long-term investing.

Know Your Investment Style

Know your tolerance for risk. Make sure you choose investments that you're comfortable with and are appropriate for your time horizon.

Develop a Diversified Portfolio

Choose an appropriate asset allocation when deciding your investments. Be sure to diversify, both among asset classes (stocks, bonds, and cash equivalents), and within each class. Doing so can spread risk over a variety of investments and may provide more consistent and reliable outcomes.

Stay on Course

Review your portfolio at least once a year or whenever personal changes have taken place. You'll need to re-evaluate your investments and, when necessary, rebalance your portfolio to stay on course.

Take a long-term view

Maintain the discipline to hold onto or increase contributions to investments through down markets as well as up markets.

Did you know?

You can consolidate your retirement savings from other employer-sponsored plans, including other 403(b), 401(k) or 457 plans as well as IRAs into your 403(b) Plan.

To learn more:

Click

www.suncoastfcu.org

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Toll-free at (866) 300-9382

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See your Suncoast Trust & Investment Services*
Financial Advisor

Determine Your Investment Style

These questions will help you discover an investment style that will match your retirement needs. Simply circle the number that best describes your response to the question. Your total score will indicate which investment asset allocation style best suits your needs.

Are you conservative, aggressive, or somewhere in between?

1. In investing this money, my biggest concern is:

- A. Keeping pace with the stock market over the next 15 years. (6 points)
- B. Achieving a stable, consistent return. (1 point)

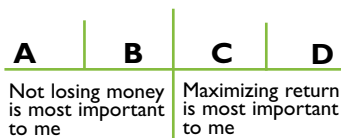
2. The following statement describes my most desirable outcome:

- A. Some opportunity for growth, with losses about one out of every ten years. (1 point)
- B. Good opportunity for growth, with losses about one out of every four years. (3 points)
- C. Best opportunity for growth, with losses about one out of every three years. (6 points)

3. If the value of my account declined by 20% in one year, for example, from \$50,000 down to \$40,000, I would:

- A. Make no changes, sticking to my long-term strategy. (10 points)
- B. Wait at least another year before considering changes to my strategy. (3 points)
- C. Make changes immediately to prevent further losses. (1 point)

4. On the scale below, I would place myself at:



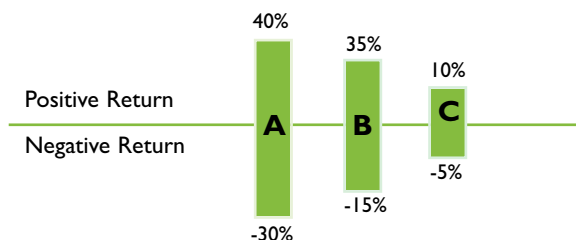
- A. (1 point)
- B. (3 points)
- C. (6 points)
- D. (10 points)

5. I am willing to experience declines in the short term for the opportunity to earn higher returns in the long term:

- A. Strongly agree (10 points)
- B. Agree (6 points)
- C. Disagree (3 points)
- D. Strongly disagree (1 point)

6. In this set of potential positive and negative one-year returns - A, B, or C -

I would be most comfortable with: A. (10 points) B. (6 points) C. (1 point)



Points: _____

Points: _____

Points: _____

Points: _____

Points: _____

Points: _____

Score: _____

Aggressive Growth	Growth	Growth & Income	Conservative	Income
42-52 points	35-44 points	25-34 points	16-24 points	6-15 points

Simplified Investing for a Clear Direction - Confident Future

Once you've found your investment style on the previous page, match it to one of the five asset allocations listed below. Whether you're just starting out or already retired. We make it easy! Each Lifestyle Asset Allocation Portfolio is comprised of multiple mutual fund companies offering various investment and management style. Lifestyle Asset Allocation Portfolios provide quarterly rebalancing to maintain correct risk over time.

Lifestyle Asset Allocation Portfolios



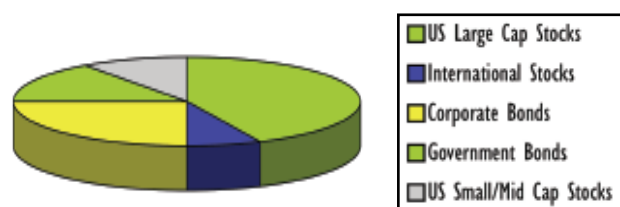
Lifestyle Income (6-15 points)

The income allocation is designed for the cautious investor, one with a low risk tolerance and/or a short time horizon. It is targeted toward the investor seeking investment stability. The main objective of the individual in the income allocation is to preserve capital while providing income.



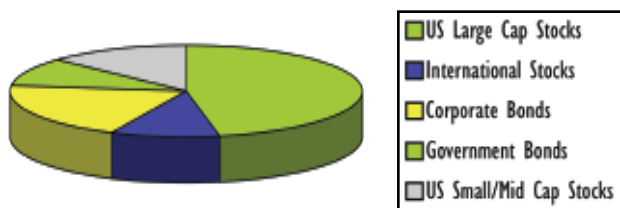
Lifestyle Conservative (16-24 points)

The conservative allocation is appropriate for the investor who seeks both modest capital appreciation and income from their portfolio. This investor will have either a moderate time horizon or a slightly higher risk tolerance than the income investor in the previous risk allocation.



Lifestyle Growth & Income (25-34 points)

This allocation is best suited for investors seeking relatively stable growth offset by a low level of income. The main objective of a moderate risk investor is to achieve steady portfolio growth while limiting fluctuations to less than those of the overall stock markets.



Lifestyle Growth (35-44 points)

The moderate growth allocation is designed for investors with a relatively high risk tolerance and a longer time horizon. These investors have little need for current income and seek above-average growth from their investments. Moderate aggressive investors should be able to tolerate moderate fluctuations with the main objective being capital appreciation.



Lifestyle Aggressive Growth (45-52 points)

This allocation is appropriate for investors who have both a high tolerance for risk and a long investment time horizon. The main objective of the aggressive growth allocation is to provide high growth for the investor's assets. Portfolios in this allocation may have substantial fluctuations in value from year to year.



You're not alone on
this path.

Glossary

What is a Mutual Fund?

Mutual funds combine money from many members and place the money in either stocks, bonds, other securities, or a combination of the three. They are managed by a professional portfolio manager who actively adjusts the funds' portfolio to try to increase their value.

Why Diversify? Because WINNERS Rotate

Put your eggs in many baskets. You should consider a portfolio consisting of a mix of funds so that the positive performance of some may counteract the potentially poor performance of others. This is called diversification and one possible way to accomplish this may be through proper asset allocation.

What is Asset Allocation?

Simply stated, asset allocation is investing your money in different categories of assets - typically stocks, bonds and cash equivalents such as money market funds - so your investments are well diversified. Ultimately, the objective is to develop a portfolio that will help you reach your long-term financial objectives through more consistent returns over time with the degree of risk you find comfortable.

How Much Risk Should You Take?

Knowing your time horizon (or years until retirement) is important because the amount of time you have determines the amount of risk you can undertake. Generally, the longer the time horizon, the more risk you can undertake.

Money Market Funds

Money market funds invest in Treasury bills, certificates of deposit, and other stable, short-term investments. They help members reach short-term financial goals because they usually deliver a fixed, modest return over a short period of time. If you're looking for a conservative, comparatively safe investment, this may be the one.

Bonds

Bonds are debt owed by corporations or state and local governments. They make money by collecting interest on that debt. Bonds are sometimes referred to as "fixed-income" investments because every year they should deliver a pre-defined return, in the form of dividends, with minimal risk.

Large-Cap Stocks

Large cap stocks (can be growth or value) are typically stocks of corporations with a total market value of \$10 billion or more. Because large companies are often mature and established, their stocks tend to be less volatile than those of smaller companies. Stocks represent part ownership, or equity, in a company.

Small and Mid-Cap Stocks

Small-Cap stocks (can be growth or value) are issued by corporations with a total market value of \$1.5 billion or less and Mid-Cap stocks have a total market value between \$1.5 billion and \$5 billion. Small and mid-size companies offer the potential to grow quickly, but can be more volatile than larger-company stocks, particularly over the short term.

International Stocks

Foreign stocks are issued by corporations based outside the United States. While some foreign stocks move in tandem with the U.S. stock market, many do not. Foreign investments incur additional risk compared to U.S. investments, including political and economic risks and the risk of currency fluctuation.



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through every step,
see your Suncoast
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Getting Started on the Road to Retirement

Step 1: Set Your Goals and Your Retirement Plan

To help you define and implement your retirement plan, the Retirement Road Test on our website will guide you through important questions to put your plan to work:

- ◆ How much should I put in my retirement plan?
- ◆ How should I invest my retirement savings?
- ◆ When can I afford to retire?

Step 2: Determine Your Investment Style

To make your money work for you, you must create an investment mix suited to your goals. The investment questionnaire in this booklet contains a series of questions to determine what type of investor you are. Enrollment form includes all of the investment options available for each type of investor. See your Suncoast Trust & Investment Services' Financial Advisors who can help you understand the investment choices available and educate you on the ones which may best suit your needs.

Step 3: Enroll in the 403(b) Retirement Plan

Complete the Application, Product Disclosure Form and Salary Reduction Agreement to specify how much you would like to contribute per pay.

Mail forms to:

Suncoast Trust & Investment Services
950 West Fletcher Avenue
Tampa, FL 33612
Fax (813) 908-7053

For more information, please call us at (866) 300.9382

*Suncoast Trust & Investment Services is a marketing name used when offering and selling securities products and services through CUNA Brokerage Services, Inc. (CBSI) or trust products and services through MEMBERS Trust Company (MTC). Representatives are registered, securities are sold, and investment advisory services are offered through CBSI, member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free (866) 512-6109. These representatives may also be employees of Suncoast Schools Federal Credit Union (Credit Union) who accept deposits on behalf of the Credit Union. MTC and CBSI are each under separate contract with Credit Union to make securities and trust services available to members. Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by Credit Union.



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