

WHO

IS ELIGIBLE

?

Any employee of the public school system, as well as anyone who works for those non-profit organizations which have been deemed qualified by the Internal Revenue Service.

They are eligible to participate in a Tax Sheltered Account.

This type of account is commonly referred to as a TSA or 403(b).

For more information, please contact the Business Office at 570-673-6001.

WHAT

IS A TSA?

A Tax-Sheltered Account or TSA is a salary deduction savings plan. This type of plan enables

employees of qualified organizations to save for retirement with pre-tax dollars.

EXAMPLE:

SAVE \$100 PER \$1000 GROSS	
	TSA PLAN (PRE-TAX \$)
REG. SAVINGS PLAN (POST-TAX \$)	\$1,000
INCOME	\$1,000
PRE-TAX SAVINGS	0
TAXABLE INCOME	1,000
35% TAX	-350
POST-TAX INCOME	650
POST-TAX SAVINGS	-100
	\$550
	\$585

INCREASE

OF SPENDABLE INCOME

WHY

USE A TSA

?

1. It reduces current income taxes.
2. All gains are tax-deferred.
3. You may borrow from your plan.
4. Retirement income may start at age 55.
5. It is Portable: If you leave, it can leave.
6. There is a wide choice of investments.
7. You can put in \$25 or more per pay.
8. Tax-benefits are immediate.
9. Payroll deduction is convenient.