CSD Retirement Trust

A program developed by Cooperating School Districts®

A Better Choice for 457(b) Participants and Their Districts

What is the CSD Retirement Trust?

The CSD Retirement Trust is a consortium of school districts that have joined together to save employees money while improving retirement planning and outcomes. The Trust also saves districts time and money while ensuring compliance with 457(b) regulations. Over 2,200 participants from twenty-two school districts with $42 million in plan assets make up the Trust.

The CSD Retirement Trust is a "Better Choice" for participants because...

- The Trust lowers fees and expenses while increasing transparency
- The Trust always strives for the lowest investment fee share class
- The Trust provides actively managed, index and age appropriate target date funds, providing diversified investment options for participants
- The Trust's investment options are monitored quarterly for performance
- The Trust replaces under-performing investments, through a due diligence process
- The Trust uses salaried, not commissioned, licensed financial advisors focused on educating participants, not on selling products
- Trust participants can buy time into PSRS/PEERS with no rollover fees
- The Trust improves the bottom line for participants through higher income replacement and retirement balances

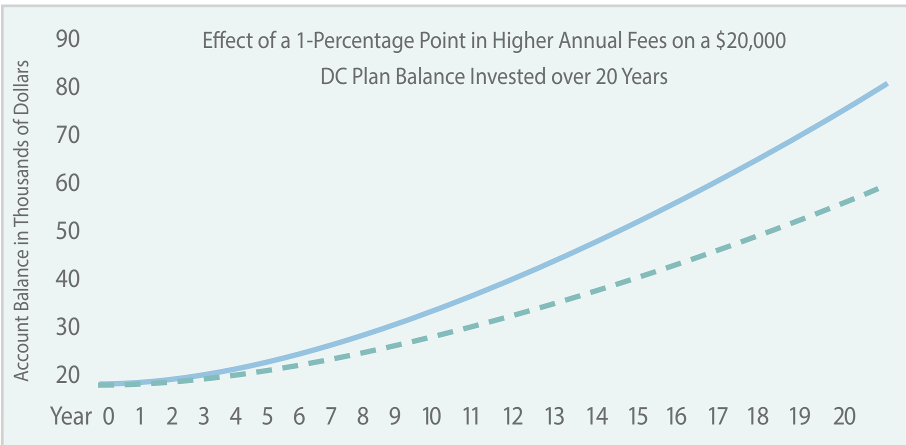
What are the advantages of joining the Trust?

For participants the advantages include:

- Reduced fees and expenses
- Improved investment choices and ongoing monitoring of options
- A focus on "retirement education" not sales

Impact of Fees from a U.S. GAO report

The U.S. Government Accountability Office noted the importance of fees on retirement account balances, assuming all other factors being equal. In this example, an individual with 20 years to retirement, current account balance of $20,000 and a 7.5% gross investment return would have $13,251 more in their account at retirement if they paid 0.5% in annual fees versus 1.5% in annual fees (1.0% in savings)



How Does The 457(b) Plan Work?

Tax-deferred accumulation

Current federal income taxes on all contributions, interest and earnings in your 457(b) Deferred Compensation Plan (DCP) are deferred until withdrawal, usually at retirement. Tax-deferred earnings, coupled with the power of compounding, may provide greater growth than might be possible with current taxable savings methods. Remember that income taxes are payable when you withdraw money from your account and restrictions may apply to withdrawals prior to age 70 1/2.

Pretax contributions

You contribute by convenient payroll reduction before federal income tax withholding is calculated. This helps reduce your current taxable income so you can save more for retirement with money that otherwise would have gone toward income taxes.

Access to your contributions

Generally, your account contributions may be distributed in any of the following events:

- ATTAINMENT OF AGE 70-1/2
- SEPARATION FROM SERVICE
- YOUR DEATH
- UNFORESEEABLE EMERGENCIES

In addition, distributions are not subject to the 10% federal tax penalty on early withdrawals except on amounts rolled into the 457(b) plan from other non-457(b) eligible retirement plans.

2012 contributions limit

- 100% of annual includible income up to $17,000
- Up to $17,000 (in 2012) as a catch-up contribution if you are with in the last three taxable years ending in the year before normal retirement age under you plan and undercontributed in prior years.
- $5,500 as an age-based catch-up for those age 50 or older (government 457(b) plan participants only)

Tax-free loans

Tax free loans enable you to borrow against a portion of your accumulated account value without permanently reducing your account balance. Remember that defaulted loan amounts (not repaid on time) will be taxed as ordinary income.

How do the plans differ?

403(b)

Less stringent withdrawal restrictions while you are employed, but a 10% early withdrawal federal tax penalty might apply.

Generally withdrawals made prior to separation from service or the year you attain age 59-1/2 can only be made due to financial hardship.

A financial hardship withdrawal is considered less restrictive -- while you are employed –– than a 457(b) unforeseeable emergency. Examples of financial hardship include:

- Unreimbursed medical expense
- Payment for purchase of a principal residence
- Higher education expenses
- Payments to prevent eviction or foreclosure of a mortgage
- Loss of property due to casualty

Withdrawals can be subject to a 10% federal tax penalty prior to age 59-1/2

457(b)

More stringent withdrawal restrictions while you are employed, but no 10% early withdrawal federal tax penalty after separation from service [except in the case of rollovers from non-457(b) plans or from IRAs.]

Generally withdrawals made prior to separation from service or the year in which you reach age 70-1/2 can only be made for an unforeseeable emergency.

An unforeseeable emergency is more restrictive –– while you are employed –– than a 403(b) hardship. Some examples.

- A sudden and unexpected illness or accident for you or a dependent
- Loss of your property due to casualty
- Other similar extraordinary circumstances arising as a result of events beyond your control.

About Cooperating School Districts

CSD's mission is to provide member school districts with high-quality and cost-effective services, resources and leadership to achieve educational excellence for all students. This is done effectively through the Business Services division, which is committed to helping districts maximize the purchasing power of school dollars.

Business Services continues to research new and better ways to offer its customers the best quality products and services at the lowest possible price, and from that commitment came the CSD Retirement Trust.

About CBIZ Financial Solutions

CBIZ Financial Solutions Inc., a Registered Investment Advisor, has been engaged to provide Investment Advisory Services to the CSD Retirement Trust. Through the creation of an Investment Policy Statement, CBIZ assists the CSD Investment Committee with the selection and monitoring of all investment options offered in the 457(b) plan. CBIZ will provide market commentary and assist the committee at their regularly scheduled due diligence meetings.

CBIZ Financial Solutions, Inc. is a Broker/Dealer and a Registered Investment Adviser • Member FINRA, SIPC • Home Office is located at 6050 Oak Tree Blvd S., Independence, OH 44131 • Phone: (216) 447-9000 • CBIZ Financial Solutions, Inc. is a wholly owned subsidiary of CBIZ and is not affiliated with the CSD Retirement Trust or VALIC.

About VALIC

With more than 2 million participants and $61 billion in total assets, VALIC is an industry leader among defined contribution plan service providers. Since their inception in 1955, VALIC's focus has been on providing retirement services to the K-12 education market. Today, VALIC is the number one retirement plan provider in the K-12 education market.

VALIC provides a comprehensive package of employee education, communication, administration and investments for the Cooperating School Districts of St. Louis. VALIC's offering of diverse, name brand mutual funds and guaranteed fixed interest option provide District employees with the necessary investments to help them achieve their retirement goals. VALIC also provides the necessary compliance services including loan and hardship withdrawal certification across legacy providers to keep the plan in compliance with any new 457(b) regulations and reduce the District's administrative burden.

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For more information on the CSD Retirement Trust, contact Scott Tate at CSD, (314) 692-1270 or state@csd.org or visit www.csd.org.

"The decision to join CSD's retirement trust has already been a benefit to our employees and our district. Our employees are getting better service and are saving on fees, while our business office now has one less complex issue to manage. We know our Board made the right decision in joining the trust at its inception."

— Jim Simpson, Superintendent
Lindbergh School District

"The transition into the CSD Retirement Trust was very smooth for our employees. The costs are lower and the service has been great. People were very frustrated with the old system, with so many different companies coming through the district and people agonizing about what was happening with their money. The CSD Retirement Trust process is really clean and precise, and our staff members are much happier. There are a broad variety of funds available to invest in, and our VALIC rep does a good job of connecting with all the employees. Everything that I was told was going to happen when we first looked into participating in the Trust has happened, which is a good thing for our employees."

— Michael Fournier
President, National Education Association Clayton Local Educational Technologist, School District of Clayton

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