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403(b) Plan Annual Notice

To All Highland Employees:

TCG Administrators serves as Highland's third party administrator for their 403(b) Plan. The 403(b) plan (often called a "tax sheltered annuity" or TSA) is a voluntary plan that allows you to defer a portion of your paycheck to a retirement plan. This is a great benefit offered by Highland to help you bridge your retirement income gap and lower your taxes. Under federal tax law, you do not have to pay income taxes on your contributions or account earnings until you take the money out of the plan.

Please read below for details on how to enroll and how easy it is to start saving now. Also explore why it is a good idea to invest for retirement.

Why do I need to save if I am contributing to SURS?

Your pension may not replace all of your income in retirement. The average retiree receives 60-65 percent of their income at retirement. For example, if your current salary is \$5,000 per month and your retirement benefit equals 65 percent of your current salary, you will receive \$3,250 each month. However, research indicates that retirees must receive 90-95 percent of their income in retirement to maintain their current standard of living. In the preceding example the member has a shortfall of \$1,750 per month.

Why Should I Contribute to a 403(b) Plan?

- Bridge your retirement income gap
- Lower your taxes
- Easy to start saving now

Enrollment is done online through TCG Administrator's web site <http://tcgservices.com/login/>. Click on Group Retirement Plan Login and then select New User. Highland's password is **highl403** to register. If you do not have Internet access or need assistance, please call us at (800) 943-9179 and we can assist with those services by phone. Detailed instructions on using TCG Administrator's web site can be found on Highland's web site at <https://highland.edu/human-resources/benefits/retirement-tax-benefits/> by clicking on "HCC User Guide TCG Web Site" under Helpful Resources, or by going to Highland's G drive (G:/General/HR-Payroll Resources for Employees/403b/HCC User Guide TCG Web Site).

Prior to setting up a contribution, you, or your financial advisor, must contact an approved investment provider to establish an account if you have not already done so. Please note that there are two different lists of approved vendors depending on whether you are eligible for the employer paid match (available to employees covered under the faculty and custodial/maintenance union agreements). The Employee Paid and Employer Paid Approved Vendors lists can be found at the web site or on Highland's G drive in the 403(b) folder, each located as noted above.

Thank you,

The TCG Administrators Team