

SAINT CROIX CENTRAL SCHOOL DISTRICT 403(b) SAVINGS PLAN

PARTICIPANT NOTICE

(November 2008)

The Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART) provides for the addition of the following benefits to your retirement plan for participants who take a leave of absence to actively serve in the military. Below is a description of the new features.

Survivor Benefits (applies to 401(a), 403(b), and Governmental 457(b) plans)

If you die while serving in the military, your beneficiary will receive the benefits that they would otherwise receive under the Plan as if you had remained employed on your date of death.

Elective Deferral Distributable Event (applies to 401(k), 403(b), and 457(b) plans)

If you serve in the military for more than 30 days but have not terminated your employment, you are allowed to make a withdrawal of your elective deferrals from your retirement account. If you do elect to make a withdrawal under this provision, you will not be able to contribute to your elective deferral account for six months following the date of distribution.

Penalty-free Withdrawals (affects 401(a) and 403(b) plans)

The 10 percent early withdrawal penalty tax (pre age 59½) is permanently waived for qualified reservists called to active military duty for more than 179 days; the amounts may be re-contributed to an IRA within two years after your military service ends. A deferral suspension period does not apply for this type of withdrawal.

Differential Wage Payment Benefits (applies to 401(k), 403(b), and 457(b) plans)

Payments made to you by your employer while you are serving in the military (if you have served more than 30 days) are called differential wage payments. These payments are considered W-2 compensation after December 31, 2008.