



The Benefits of Investing in a §403(b) Plan

A §403(b) plan provides an outstanding opportunity to maximize your retirement savings. With a §403(b) account, both contributions and investment earnings are treated as tax-deferred until withdrawal¹.

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A §403(b) is a tax-advantaged retirement program for employees of hospitals, educational institutions, and certain other not-for-profit organizations. Participants may fund their accounts with pre-tax payroll deductions that can be invested in either a tax-sheltered annuity (TSA) or a custodial account composed of mutual funds.

§403(b) plan participants enjoy the following benefits:

Pre-tax Savings

Participants who defer compensation into a §403(b) account realize immediate tax savings on their contributions. Before any taxes are taken out, your paycheck is reduced by the amount you decide to invest. Therefore your total taxable income is less.

Tax-deferred Growth Potential

Just as important, taxes on your investment earnings are deferred as well. This way, you don't pay taxes on anything that your deferred compensation may earn until many years down the road when you retire. While withdrawals are taxed as ordinary income, the impact may be minimized as many investors find themselves in a lower tax bracket at retirement.¹

Convenient Payroll Deduction/Built-in Dollar Cost Averaging

Investing in a §403(b) plan couldn't be simpler. You may decide to defer a certain percentage of your compensation each pay period to be invested in your §403(b) account. As this amount is automatically deducted from your paycheck at regular intervals, dollar cost averaging is built in to your investment plan. With dollar cost averaging, you buy more shares when prices are low and fewer when prices are high. Over time, the average amount paid (average cost) for each share will usually be less than the average price per share. Furthermore, this strategy eliminates the need to decide when is the best time to buy.²

(continued on reverse)



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Optional Employer Contributions

Your employer may elect to match a certain percentage of your §403(b) plan contributions. This can be a major incentive to participate, as the amount your employer contributes to your account is money you receive above and beyond your regular salary. If your employer matches a percentage of your contributions, you've gotten an instant raise!

Choice and Portability

Employees who decide to participate may select from many investment options including fixed annuities, variable annuities and mutual funds. This variety of options enables you to create a plan that reflects your investment time horizon and tolerance for risk. Also, your §403(b) account is portable. Should you leave your job, your account can be rolled into another employer's §403(b) or §401(k) program, or an IRA.

Professional Investment Management

Most §403(b) plan participants have access to professionally managed investment portfolios, with either insurance or mutual fund companies. In addition, Legend Advisory Corporation offers five diversified asset allocation portfolios through our Strategic Asset Management program. The portfolios are managed by a team of experienced investment professionals who monitor world markets in an effort to maximize returns and reduce risk.

Loan provision

Once you reach your plan's minimum balance, you may take a loan from your §403(b) account to meet certain types of expenses. The beauty of this feature lies in the fact that both principal and interest are paid back to your account via automatic payroll deduction. Essentially, if you pay back your loan in a timely manner, the loan is free.

Distributions

§403(b) account assets can be withdrawn without penalty after age 59½. Upon withdrawal, ordinary income taxes apply. Distributions must begin no later than April 1 of the calendar year following the calendar year in which you attain age 70½, unless you are still working for the §403(b) eligible employer.

With such a powerful retirement savings tool at hand, it is likely you will want to begin investing for your future right away. Your Legend Advisor is available to guide you in the creation of an investment plan that suits your financial goals. Call today to learn more about saving for retirement with a §403(b) account.

¹ A 10% penalty may apply for early withdrawal (before age 59½).

² Dollar cost averaging does not assure a profit and does not protect against a loss in declining markets. Investors should consider their ability to purchase shares continuously during periods of falling share prices.

The principal value of an investment will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost.

Before investing in a mutual fund, consider its investment objectives, risks, charges and expenses carefully. The prospectus, which contains this and other information about the mutual fund, can be obtained by contacting Legend Equities Corporation. Please read the prospectus carefully before you invest or send money.

Advisory services offered through Legend Advisory Corporation, a registered investment advisor.

Securities offered through Legend Equities Corporation, member NASD and SIPC.

Local Office: