

To our Valued Clients,

As the year draws to a close, it seems fitting to reflect on the many challenges we have all faced during these turbulent times. With a full year behind us since the implementation of the federal regulatory changes, we have seen tremendous contraction in the number of Service Providers still active in the marketplace, and Employers scrambling to explain the new reality of the industry to their employees and participants.

One encouraging sign is the dramatic shift seen by our Customer Care Team from spending their days explaining how to take out a loan or hardship withdrawal to explaining to a new generation of employees what the benefits are of a 403(b) and how to start saving and investing in one.

To help meet the tremendous need for basic education on 403(b) plans, OMNI is proud to announce our new Educational piece: 403(b) – Why Me?®. Based on feedback from focus groups we have held with many of you this year, we anticipate this program will be especially welcomed by new employees who may be unclear on the benefits of saving through a 403(b).

On another front, our on-line technology continues to be hugely successful. While 50% of our transactions are accomplished using Omni Online® nearly 90% of all NEW enrollees are using this feature- we anticipate an increase of both percentages in 2011.

Despite its challenges, 2010 has been a great year. Omni has continued to cement its role as the preeminent TPA in the country – now serving more than 950 clients across the country. We are grateful for your support, and humbled by your loyalty. On behalf of everyone here at Omni, I would like to extend my best wishes for a Happy Holiday Season to you and your families.

Best Regards,



*Rodney H. Williams*

Rodney H. Williams, President, CEO  
The OMNI Group, Inc.

**2011 Contribution Limits**

For the third consecutive year, the IRS has announced that all 403(b) and 457 contribution limits will remain unchanged from last year’s levels. All participants will be eligible to contribute \$16,500; with participants over the age of 50 being entitled to contribute an additional \$5,500 (for a total of \$22,000). Additionally, veteran employees with more than 15 consecutive years of service MAY be eligible to contribute an additional \$3,000.

**Holiday Hours**

In recognition of the Holiday Season, OMNI will be closed on December 24th as well as on December 31st. With the exception of these dates, OMNI’s Customer Care Team remains available Monday-Friday at 877-544-6664.

**OMNI: A Top 100 Company**

For the second consecutive year, The OMNI Group appears on the KPMG Rochester Top 100 Employer list. The KPMG Top 100 recognizes employers who have experienced the highest levels of economic growth and express the greatest fiscal integrity.



Watertown Office Park  
1099 Jay Street, Bldg. F  
Rochester, NY 14611

toll free: (877) 544-6664  
www.omni403b.com

The  
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Volume 8  
**403(b) Why Me?**

The Latest News for 403(b) Participants

**THE OMNI GROUP**  
Listens. Leads. Delivers.

## 403(b) Investing - The Immediate Benefits

“A 403(b) plan is a retirement savings vehicle that allows contributions to accrue interest and grow based upon market performance on a tax deferred basis.” Sounds simple, right? The fact is that the 403(b) world is anything but simple.

With all this complexity, it can be easy to get so caught up in the details of SRA forms, investment choices, and market performance that you miss the myriad of IMMEDIATE benefits to investing in your 403(b).

For example, did you know that it's possible to invest a large portion of your income for your retirement, with little (if any) impact on your bottom line?

Suppose for a moment that your gross salary is \$1,000 per semi-monthly paycheck. If you chose to save 10% of your pay, your taxable income would be lowered to \$900 dollars before Uncle Sam got his share.

Assuming you fell in the 30% tax bracket, this would mean that you paid \$270 dollars in taxes, as opposed to the \$300 you would have paid had you not invested in your 403(b). In other words, you now have \$100 sheltered in your 403(b), but you only experienced a \$70 decrease in your take home pay.

If you have been using a post-tax savings vehicle (such as an online or bank savings account) the numbers look even more impressive. Let's say that after paying your taxes you paid yourself by putting \$100 per pay period in a savings account. Your take home pay would then be \$600/ paycheck. If you invested that same \$100 before taxes through your 403(b), you would have \$630 in take home pay; or an additional \$720 dollars each year without sacrificing any savings!

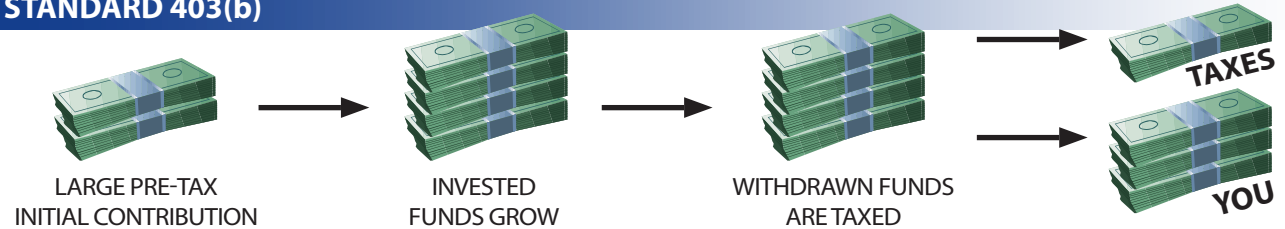
While pre-tax investing can help you bring home more money, things get much more interesting when we look at how you can make money on the funds you have invested. Stay tuned for our next issue, where we will talk about what happens to the funds you invest after they reach your account.

## Beyond the Basics: Roth Contributions

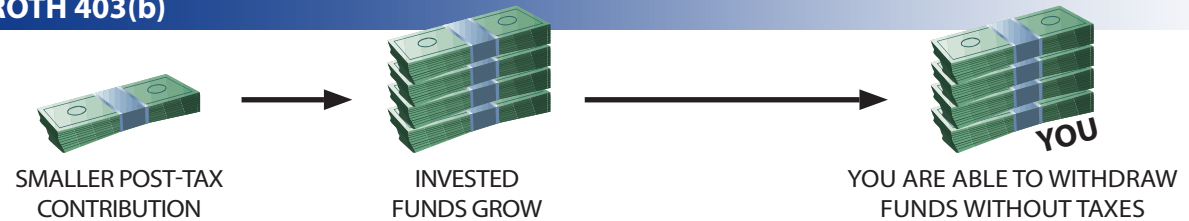
There are only two things in life that are certain, and one of them is taxes. While 403(b) deductions are normally made before taxes are withdrawn, you will need to pay taxes on any funds you withdraw from your plan at a later date. Certain 403(b) plans allow for Roth contributions-

in which taxes are withdrawn on the “front end,” and distributions are not taxed. Not every plan allows for Roth contributions, so feel free to contact OMNI at 877-544-6664 to see if this option is available for you!

### STANDARD 403(b)



### ROTH 403(b)



## How do I Start?

If you are interested in starting contributions to your 403(b), the process really couldn't be simpler!

### STEP ONE

Contact a Service Provider to establish a 403(B) plan. A list of participating vendors for your employer is available at [www.omni403b.com](http://www.omni403b.com). Your provider or financial advisor will help you with fund selection, and assist with the completion of any necessary paperwork.

### STEP TWO

Complete an OMNI Salary Reduction Agreement (SRA) to initiate your deductions. OMNI's SRA can be

used to start, stop or change your deductions, and is available online under the “forms” section of OMNI's web site. If you choose to utilize our NEW Online SRA form, you will receive immediate confirmation that your request was received and processed.

### STEP THREE

After receiving your form, OMNI will verify that your chosen Service Provider maintains an account in your name that will be capable of accepting contributions. After confirmation is obtained, we will direct your employer to begin making deductions from your next paycheck.