

457(b) Deferred Compensation Plan

As a County employee, you have an opportunity to voluntarily enroll in the Deferred Compensation 457(b) Plan. Deferred Compensation is an additional retirement savings plan that offers a convenient, tax-advantaged way to save for your retirement. If you sign up by the 18th of any month your contribution will start on the first paycheck of the next month. Your contributions are automatically deducted regularly from your paycheck. Your pretax contributions are deducted from your pay before income taxes are taken. This means you can actually lower the amount of current income taxes you pay each period. You have the flexibility to select from investment options that range from more conservative to more aggressive, making it easy for you to develop a well-diversified investment portfolio. You have access to online tools designed to help you manage your assets as you plan for retirement.

Go to <http://plan.fidelity.com/saccounty> to enroll, Plan enrollment guide, access your account, change your contribution, schedule an appointment, Performance Sheet, Plan Updates, Update Beneficiaries, Planning tools.

457(b) PLAN FAQ's

What is the County of Sacramento 457(b) Plan?

The County of Sacramento 457(b) Plan (the Plan) is an Internal Revenue Code Section 457 non-qualified governmental deferred compensation plan.

The Plan provides retirement, disability, and death benefits for employees who choose to participate. Participants are deferring payment of taxes on currently earned wages to a time in the future when the account distribution is used to supplement retirement benefits. The distribution will be taxed as normal income at that time.

When a participant leaves County service, the participant may elect when to begin receiving benefits (no later than March of the year after reaching age 70 1/2). The benefit that the participant will receive is a combination of two factors; 1) the total account balance including gains and losses, and 2) how the participant chooses to receive the benefit.

As of June 1, 2005, a Brokeragelink option and a Loan Program were added to our Plan. Contact Fidelity Investments at (800) 343-0860 for more information.

Am I required to join or participate in the Plan?

No, participation is entirely voluntary. You may join at any time while you are a permanent County employee. You may increase or decrease the amount you defer and change investment options at any time.

What investment options are available under the Plan?

There are currently thirty-two (33) investment options in the Plan offered by Fidelity Investments. Offerings include a money market fund, bond mutual funds, and stock mutual funds. Lifestyle funds are also available for participants who prefer to take a less active role in managing their investments. For a complete list of the investment options available, visit the Internet at <http://plan.fidelity.com/saccounty>.

How do I join?

Contact Fidelity Investments at (800) 343-0860 or via the Internet at <http://plan.fidelity.com/saccounty>.

How much can I contribute?

Participants designate an amount of their bi-weekly paycheck that they want deducted to contribute to the plan. The minimum contribution is \$25 per pay period. The maximum a participant can contribute annually is the lesser of the contribution limit shown, below or 100% of compensation.

Contribution Limits are as follows:

Age under 50 2012—\$17,000

Age 50 or older 2012—\$22,500

Limits will be periodically adjusted for inflation and will be announced annually.

What is my contribution on my very last pay check?

The contribution is \$0, unless you complete a last compensation form and file it in our office prior to termination. Payroll will not re-issue a check after the final termination check has been issued.

Can I “Catch-up” for prior years?

If you are within 3 years of being eligible to retire, you may qualify for the 3-year Limited Catch-Up Plan. The maximum contribution limit under this 3-year provision is double the applicable amount for Age under 50. Contact the DC Office for more information

Can I transfer money into my Plan account from another eligible plan?

Yes. Active participants may transfer balances from another “eligible retirement plan” into the County 457 Plan. Typical sources include IRA, 401(a), 403(b), 401(k), and 457(b) plans. Such plan assets may be transferred into the County plan anytime while the participant is an active County employee. Contact a DC Specialist for more information.

I just changed my account at Fidelity’s Web site (or at the 800 number), when will

my change take effect?

- Any contribution amount changes made at Fidelity by the 18th of the month, will take effect on the first pay period of the next month.
- Any investment allocation changes will take effect immediately.
- Any exchanges between funds will take place at the next market closure.

When can I request a distribution from my account?

The Plan is a long-term, non-liquid retirement plan; therefore, distributions can only occur under limited circumstances. There are three ways to qualify for distribution.

- If you have separated from service for any reason, contact Fidelity to request a distribution.
- If your balance is under \$5,000 and you have not contributed in over two years, contact DC Specialist to request a *de minimus* distribution.
- If you have suffered an unforeseeable severe financial hardship, contact the DC Office to get more information. (Hardship withdrawals are evaluated on a case-by-case basis and require that you have experienced an unforeseeable event that led to a severe financial hardship.)

Contact Fidelity Investments at (800) 343-0860 or <http://plan.fidelity.com/saccounty> information on:

- Enrollment,
- Changes in beneficiaries (on-line),
- Changes in investment allocation,
- Changes in contribution amounts,
- Distributions

Contact the Deferred Compensation Office for information on:

- Hardship Withdrawal,
- 3-Year Limited Catch-Up,
- Deferred Compensation Workshop Schedules,
- Qualified Domestic Relations Orders (QDRO),
- Copy of the Plan Document,
- Final compensation request, (allow 1 month prior to retirement)
- Other questions on your 457 Plan?