



## Plan Highlights

Review this summary information to understand how your 457 Deferred Compensation Plan works.

### ENROLLMENT

Simply complete the enclosed enrollment form and submit it to your employer. Participating in a retirement plan, such as your 457 plan, can have a significant positive impact on your future. Your plan offers the ability to enroll electronically. To enroll online, please read the enclosed direct self-enrollment instructions.

### CONTRIBUTIONS

You must decide the amount you wish to contribute each pay period to your retirement plan.

- You can change your contribution amount at any time. When you submit a change, it will take effect the following calendar month.
- The maximum contribution for 2019 is \$19,000 (or \$25,000 if you are age 50 or older).
- Contributions are made on a pre-tax basis.
- You may also transfer, or roll over, other eligible retirement accounts to your 457 plan.

**Pre-Tax Contributions** reduce your taxable income for the year. These amounts, along with associated earnings, will be taxed as ordinary income in the year they are withdrawn from your account.

### INVESTMENTS

Your contributions will be invested in the funds that you select, and the value of your account will fluctuate based on the performance of the funds. Carefully review the enclosed information relating to your investment options before making your selections. You can make changes to your investments at any time.

### WITHDRAWALS

**After you separate from service with your employer,** you will be eligible to withdraw your money at any time. However, you will not be required to take any withdrawals until after age 70½.

**While you are still employed,** your withdrawal options are limited to the following circumstances:

- After you attain age 70½.
- Small account balance distributions. If your balance is under \$5,000 and no contributions have been made for a period of two years.
- Emergency withdrawals. Under certain emergency situations, as defined by the IRS.

### ACCOUNT INFORMATION

You can review your account information online by logging into your account at [www.icmarc.org](http://www.icmarc.org). Or, use ICMA-RC's self-service phone line at 800-669-7400.

You will receive quarterly account statements showing detailed information on your account, including your current balance and investment performance. Sign up for ICMA-RC's eDelivery services to receive email notifications when your quarterly statements and transaction confirmations are available online.

*SUMMARY DESCRIPTION The actual rules governing your plan are contained in state retirement laws and the federal tax code. This publication provides a summary of the rules, and is not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.*

*This plan introduction is designed to provide you with general plan information. If there is a conflict between the information in this summary and the Plan document, the Plan document will be the controlling document.*



## ENROLLING IN YOUR 457 DEFERRED COMPENSATION PLAN

Review this information to help guide your contribution and investment decisions.

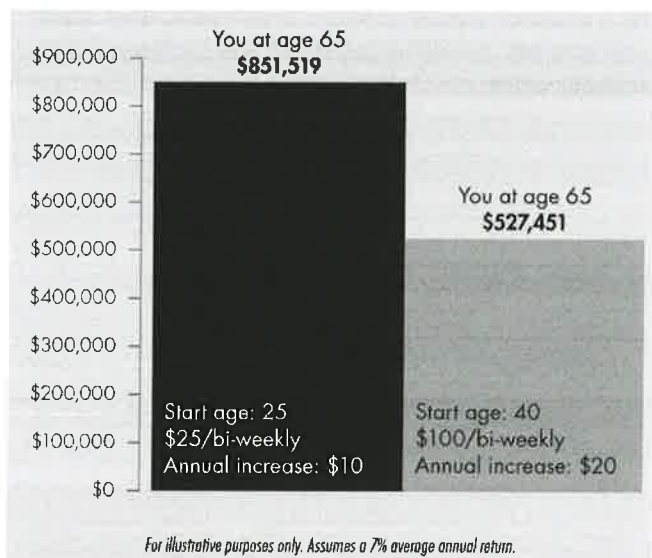
### DON'T DELAY – START SAVING NOW

Don't put off enrolling. Your 457 plan provides flexibility and control.

- Contribution amounts can be changed, stopped, restarted at any time. There are no minimum limits so you can start small while you determine your ideal savings rate.
- Investment options can be changed at any time.
- Beneficiary designations can be changed at any time.

### CONTROL WHAT YOU CAN

Although you cannot predict how the financial markets will perform or future inflation, tax rates, or other economic conditions, you can control when you start saving for retirement.



And starting earlier can give you a huge advantage. View the preceding chart — by starting to save at, say, age 25 instead of age 40, you can save a lot less each pay period and save about the same amount over your lifetime but come out way ahead. Of course, regardless of your current age, it's never too late to start.

### HOW MUCH TO CONTRIBUTE

The benefits you will receive from a pension or Social Security could go a long way to providing a comfortable retirement, but additional savings will likely be needed to help you live comfortably over a potentially long retirement.

- Visit [www.icmarc.org/learn](http://www.icmarc.org/learn) for a variety of resources designed to help you save.
- For a more in-depth and personalized recommendation, consider ICMA-RC's Guided Pathways® ([www.icmarc.org/guidedpathways](http://www.icmarc.org/guidedpathways)).
- Or, request a consultation with your ICMA-RC representative.

**Contribute What You Can.** Even small savings can really add up over time. In fact, starting out small, and then increasing how much you save by just a little each year could go a long way.

### HOW TO INVEST

As you choose your investments, consider the following:

**Determine your risk level** — how much investment risk you need to consider taking, and are comfortable taking. Use this to help you decide the approximate percentage of your money that should be in stock funds vs. bond funds vs. lower-risk options such as stable value funds, money market funds, and CDs.

Consider a level of risk that is most likely to allow you to meet your long-term goals but also that you can maintain, especially during rough stretches.

**Be diversified.** Own different types of investments. This does not ensure against losses, but can help you manage risk.

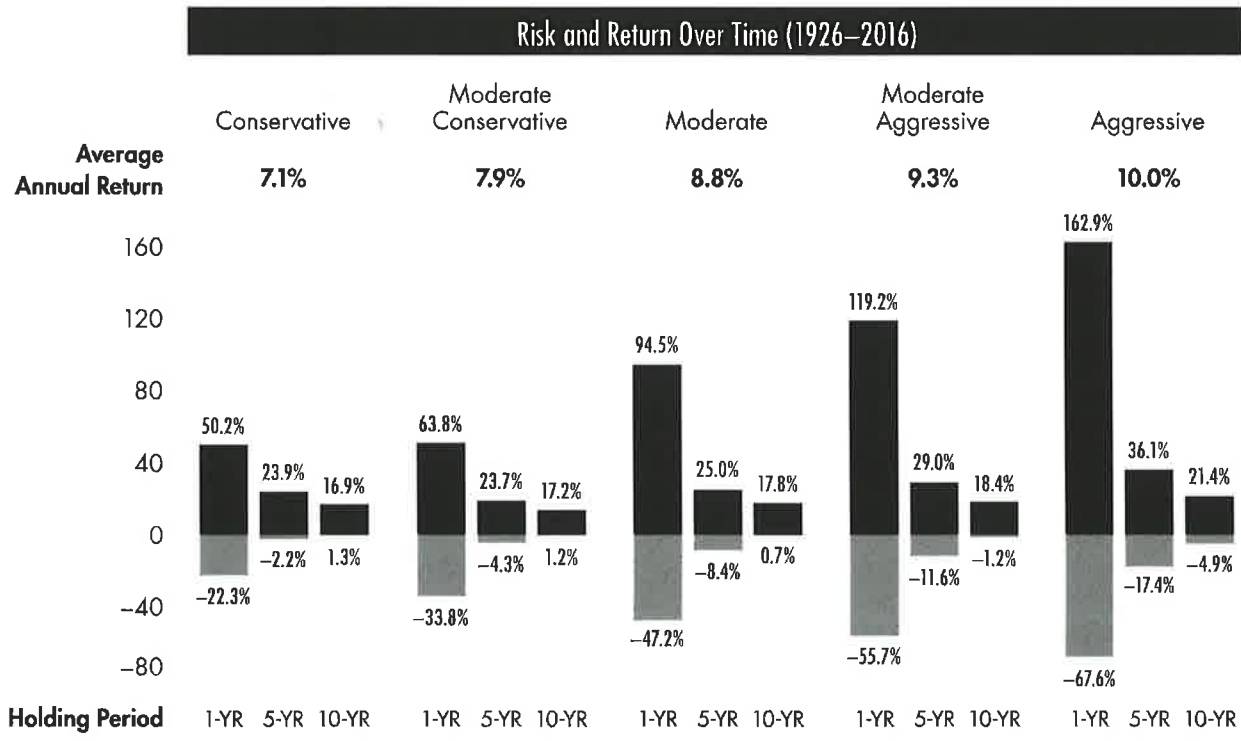
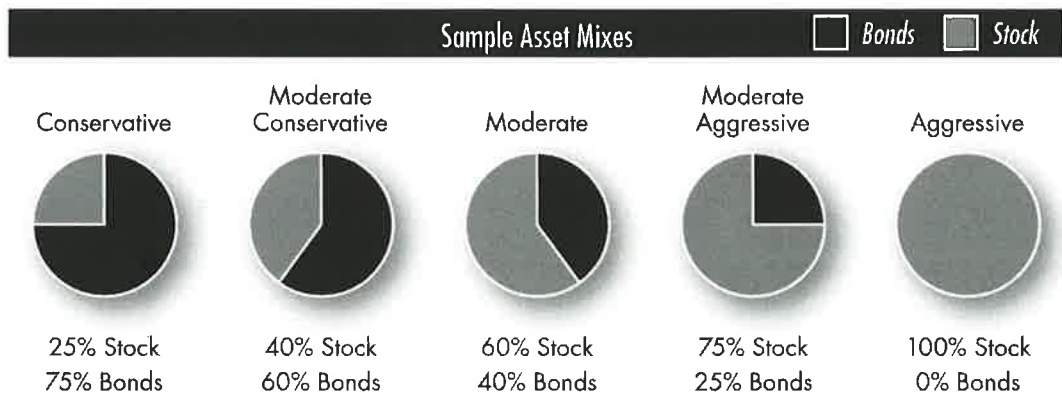
To help guide your risk and diversification decisions, see the following pages:

- Take a look at the historical risk and return of different mixes of stocks and bonds. Higher-risk options like stocks have provided higher returns but also much steeper losses during certain time periods. But even low-risk options still have risk; they will be more likely to lose money to inflation over time.
- Review the different investment options and services available to you.



## Asset Allocation

Use the chart below to help guide your asset allocation decisions. It shows the performance of different stock and bond portfolios since 1926, including ranges of annual returns over one, five, and 10 year periods. (For example, 10 year periods run from 1926 to 1935, 1927 to 1936, and so on.) Notice the tradeoff between potential risk and reward.



### Average Annual Returns and Range of Returns (1926–2016)

Source: Morningstar Direct  
 Performance figures were calculated using historical returns of the Standard & Poor's 500 Index and U.S. Long-Term Government Bonds.  
 The past performance shown is no guarantee of future results.





## AVAILABLE INVESTMENT OPTIONS

Consider the following options to help you build a diversified portfolio with an appropriate overall level of risk.

**Simplify and diversify with one fund.** Target funds invest in a variety of individual stock and bond funds and may be appropriate if you are looking to simplify your investment decisions while still being diversified. Consider a:

- Target-date fund with the year in the fund name that closely matches the year you expect to begin withdrawals. Target-date funds are designed to gradually reduce risk over time.<sup>1</sup>
- Target-risk fund that has a defined range of risk that is not designed to be reduced over time.

**Build your own investment portfolio.** If you are comfortable picking and choosing from different funds, this option provides the most flexibility and control.

And ICMA-RC has tools to help — Asset Class Guidance and Fund Advice, part of our Guided Pathways® service provide recommendations for you to follow.

**Ask ICMA-RC to invest and manage your account for you.** You will be enrolled in ICMA-RC's Managed Accounts service, which provides professional account management through each stage of your career and in retirement, from building up your savings to drawing them down. Managed Accounts:

- Recommends how much you need to contribute to reach a comfortable retirement
- Selects and manages your investments for you based on your personal and financial situation
- Makes periodic updates to help keep you on track

- Helps you transition from building up your savings to drawing them down

Managed Accounts helps you take the guesswork and complication out of these very important saving, investing, planning, and withdrawal decisions. It provides a strategy for you to follow and then manages your account for you, saving you time and minimizing the likelihood that you overreact to market upturns and downturns.

You are charged an asset-based fee for these services.<sup>2,3,4</sup>

**Be Smart about Investing.** Learn more about personal finances, including retirement planning, without being overwhelmed. Discover tools to help you plan, save, and invest for your future at [www.icmarc.org/realize](http://www.icmarc.org/realize).

## TAX ADVANTAGES

Let's say you are in the 25% federal income tax bracket, have a \$40,000 annual salary and determine you need to save 5% per paycheck, or \$77, for your future retirement.

When \$77 is saved pre-tax, it is not subject to tax until later when you withdraw, so it reduces your paycheck by only \$58.

**Pre-tax contributions help you save.**

Investment earnings are tax-deferred so your account can grow for decades before being subject to tax.

<sup>1</sup> A target-date fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

<sup>2</sup> Underlying mutual fund expenses and plan administration fees still apply. Please consult the applicable disclosure materials for a description of these fees and expenses.

<sup>3</sup> Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.

<sup>4</sup> Managed Accounts is not suitable for all investors. Please contact our Guided Pathways® team or your ICMA-RC Retirement Plan Specialist and fully read the ICMA-RC Guided Pathways® Fund Advice and Managed Accounts Investment Advisory Agreement prior to enrolling in Managed Accounts to determine if this service is right for you.