

# Jacksonville Housing Authority

## 457(b) Deferred Compensation Plan

### Features and Highlights

The Jacksonville Housing Authority 457(b) Deferred Compensation Plan ("Plan") is a powerful tool to help you reach your retirement dreams.<sup>1</sup> As a supplement to other retirement benefits or savings that you may have, this voluntary Plan allows you to save and invest extra money for retirement.

You have the opportunity to build extra savings consistently and automatically, select from a variety of investment options, and learn more about saving and investing for your financial future.

**Read these highlights to learn more about your Plan and how simple it is to enroll. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.**

#### Getting Started

##### **What is a 457(b) deferred compensation plan?**

A governmental 457(b) deferred compensation plan (457 plan) is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution.

Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken during retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions may be subject to ordinary income tax.

You may also make Roth contributions on an after-tax basis to your 457(b) Plan. These contributions, known as "designated Roth contributions," are made with money that has already been taxed. Therefore, distributions of designated Roth contributions, including any earnings on those contributions, are not subject to federal income tax (or state income tax in most states), provided the distribution is a "qualified distribution" under the Internal Revenue Code. For more information about what is considered a qualified distribution, please contact your Empower Retirement representative.

##### **Why should I participate in the Plan?**

You may want to participate if you are interested in saving and investing additional money for retirement and/or potentially reducing the amount of current federal income tax you pay each year. Your Jacksonville 457 Deferred Compensation Plan can be an excellent tool to help make your future more secure.

You may also qualify for a federal income tax credit by participating in this Plan. For more information about this tax credit, please contact your Empower Retirement representative.<sup>2</sup>

##### **Is there any reason why I should not participate in the Plan?**

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or if you're contributing on a before-tax basis and expect to be in a higher tax bracket during your retirement.

##### **Who is eligible to enroll?**

The City of Jacksonville 457 Plan is currently receiving all contributions and enrollments.

##### **How do I enroll?**

Complete the appropriate City of Jacksonville 457 Deferred Compensation Plan enrollment forms indicating the amount you wish to contribute, your investment option selection(s), and your beneficiary designation(s). Please return the form(s) to your on-site Empower Retirement representative at:

City of Jacksonville  
Compensation and Benefits Office  
117 W Duval Street, Suite 150  
Jacksonville, FL 32202

##### **What are the contribution limits?**

Contributions are allocated to the City of Jacksonville 457 Deferred Compensation Plan. In 2018, the maximum contribution amount is 100% of your includible compensation or \$18,500, whichever is less for all retirement contributions. It may be indexed in \$500 increments after 2018. Participants in the 457 Plan have two different opportunities to catch up and contribute more during the final years of their career.

The Standard Catch-Up allows participants in the three calendar years prior to normal retirement age to contribute more to the 457 Plan (up to double the annual contribution limit—\$37,000 in 2018). The additional amount that you may be able to contribute under the Special Catch-Up option will depend upon the amounts that you were eligible to contribute in previous years but did not.

Also, participants turning age 50 or older in 2018 may contribute an additional \$6,000. You may not use the Special Catch-Up provision and the Age 50+ Catch-Up provision in the same year.

##### **What are my investment options?**

A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund data sheets and prospectuses, which are located on the website at [www.COJDCP.com](http://www.COJDCP.com). You may also access investment information by calling

the voice response system toll free at **(855) COJ-4570 (265-4570)**. The website and the voice response system are available to you 24 hours a day, seven days a week.

## Managing Your Account

### How do I keep track of my account?

Empower Retirement will mail you a quarterly account statement showing your account balance and activity. You can also check your account balance and move money among investment options on the website at **www.COJDCP.com** or by calling the voice response system at **(855) COJ-4570 (265-4570)**.<sup>3</sup>

### How do I make investment option changes?

Use your Personal Identification Number (PIN) and Username to access the website, or you can use your Social Security number and PIN to access the voice response system. You can move all or a portion of your existing balances among investment options (subject to Plan rules) and change how your payroll contributions are invested.<sup>3</sup>

### How do I make contribution changes?

You can make contribution changes on the website or through the voice response system or by visiting your on-site Empower Retirement representative.

## Rollovers

### May I roll over my account from my former employer's plan?

Yes, but only approved balances from one of the following eligible plans can be rolled over.

Traditional
<ul style="list-style-type: none"><li>• 401(a)</li><li>• 401(k)</li><li>• 403(b)</li><li>• Governmental 457(b)</li><li>• Individual Retirement Account (IRA)</li></ul>

Money from other types of plans or accounts that are rolled over into a governmental 457 plan may still be subject to the 10% federal early withdrawal penalty upon distribution from the 457 account prior to the investor reaching age 59½. You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options. Please check with your Empower Retirement representative regarding any applicable fees on the account.

### May I roll over my account if I leave employment with my current employer?

If you sever employment with your current employer, you may roll over your account balance to another eligible 401(a), 401(k), 403(b) or governmental 457(b) plan if your new employer's plan accepts such rollovers. You may also roll over your account balance to an IRA.

Please keep in mind that if you roll over your 457 Plan balance to a 401(a), 401(k) or 403(b) plan or an IRA, distributions from those plans taken before age 59½ may also be subject to the 10% early withdrawal federal tax penalty. Please contact your Empower Retirement representative for more information.

## Vesting

### When am I vested in the Plan?

Vesting refers to the percentage of your account you are entitled to receive from the Plan upon the occurrence of a distributable event. Your contributions to the Plan and any earnings they generate are always 100% vested (including rollovers from previous employers).

## Distributions

### When can I receive a distribution from my account?

Qualifying distribution events are as follows:

- Retirement
- Permanent disability
- Unforeseeable emergency (as defined by the Internal Revenue Code)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Attainment of age 70½
- Death (upon which your beneficiary receives your benefits)
- Transfer to purchase service credit

### What are my distribution options?

1. Leave the value of your account in the Plan until a future date.
2. You are able to receive payment in the following forms:
  - Periodic payments,
  - Fixed annuity payments,
  - Partial lump sum with remainder paid as periodic payments or annuity payments, or
  - A lump sum.
3. Roll over your account balance to an eligible 401(a), 401(k), 403(b) or governmental 457(b) plan or to an IRA.

## Distribution Taxes

### Do I pay taxes on distributions of before-tax 457(b) contributions and any earnings?

Distributions may be subject to ordinary income tax. The 10% federal early withdrawal penalty does not apply to 457 plan withdrawals except for distributions attributable to rollovers from another type of plan or account.

Before making a distribution, contact your Empower Retirement representative<sup>2</sup> to get more information.

### What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact an Empower Retirement representative to request a distribution.

## **Fees**

### **Are there any recordkeeping or administrative fees to participate in the Plan?**

The annual administrative fee is 0.10%, or 0.0250% per quarter. For example, if you have a \$10,000 account balance, your total annual fee would be \$10. This would be assessed quarterly at \$2.50. For additional information, please contact your Empower Retirement representative for more information about any potential investment option fees.

### **Are there any fees for the investment options?**

Each investment option has its own operating expenses. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading individual securities within the investment options and other management expenses. Funds may impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. Asset allocation funds may be subject to a fund operating expense at the fund level, as well as prorated fund operating expenses of each underlying fund in which they invest. For more information, see the fund's prospectus and/or disclosure documents.

### **Are there any distribution fees?**

For the Plan, there are no distribution fees for participants.

## **Loans**

### **May I take a loan from my account?**

Your Plan does not allow loans.

## **Qualified Domestic Relations Order (QDRO)**

### **May I process a QDRO from my account?**

Your Plan does not allow QDROs.

### **How do I get more information?**

Visit the website at [www.COJDCP.com](http://www.COJDCP.com) or call the voice response system toll free at **(855) COJ-4570 (265-4570)**. The website provides information regarding your Plan and financial education, as well as financial calculators and other tools to help you manage your account.

You may also contact your local Plan representative by calling (904) 630-1212, extension 4304.

*Carefully consider the investment objectives, risks, fees and expenses of the annuity and/or the investment options. Contact us for a prospectus, a summary prospectus and disclosure document, as available, containing this information. Read them carefully before investing.*

2 GWFS Equities, Inc. registered representatives may also be investment adviser representatives of GWFS affiliate, Advised Assets Group, LLC. Representatives do not offer or provide investment, fiduciary, financial, legal or tax advice or act in a fiduciary capacity for any client unless explicitly described in writing.

3 Transfer requests received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or in other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

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1 All references to the 457 Plan are to a governmental 457(b) plan.