

# City of Jacksonville 457(b) Deferred Compensation Plan Features and Highlights

The City of Jacksonville 457(b) Deferred Compensation Plan (“Plan”) is a powerful tool to help you reach your retirement dreams. 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 will have the opportunity to save 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Contributions and any earnings on contributions are tax-deferred until money is withdrawn.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 local Empower Retirement retirement plan advisor.

### 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 save for your future.

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 local retirement plan advisor.

### 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?

All current full-time and part-time employees working over 20 hours per week for the City of Jacksonville are eligible to enroll in the Plan.

### How do I enroll?

Complete the appropriate 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 local retirement plan advisor at:

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

You can also enroll online at [www.COJDCP.com](http://www.COJDCP.com). Contact your local retirement plan advisor to obtain a Plan Enrollment Code flier, which will provide the information needed to complete your online enrollment. You can contact your local retirement plan advisor by calling (904) 255-5569.

### What are the contribution limits?

In 2021, the maximum contribution amount is 100% of your includible compensation or \$19,500, whichever is less for all retirement contributions. It may be indexed in \$500 increments after 2021.

Participants in the 457 Plan have two different opportunities to catch up and contribute more during the final years of their career. The Special 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 — \$39,000 in 2021). 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 2021 may contribute an additional \$6,500. 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

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

In addition to the core investment options, a self-directed brokerage (SDB) account is available through TD Ameritrade. The SDB account allows you to select from mutual funds outside of the Plan for an additional annual administrative fee of \$60 per person, per Plan, deducted from your account at \$15 quarterly (plus any additional trading and transaction fees). These securities are not offered through GWFS Equities, Inc. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

*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 or disclosure document, as available, containing this information. For prospectuses related to investments in your self-directed brokerage account, contact your SDBA provider. Read them carefully before investing.*

## Managing Your Account

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

Quarterly account statements with your account balance and activity are available for download by logging in to your account at [www.COJDCP.com](http://www.COJDCP.com). You can also check your account balance and move money among investment options on the website at [www.COJDCP.com](http://www.COJDCP.com) or by calling the voice response system at **(855) COJ-4570 (265-4570)**.<sup>1</sup>

You will also receive separate quarterly statements on your SDB account from TD Ameritrade. TD Ameritrade will send you a monthly statement if you have account activity in any given month. These statements will detail the investment holdings and activity within your TD Ameritrade account, including any fees and charges imposed in connection with the account.

### How do I make investment option changes?

Log in to your account at [www.COJDCP.com](http://www.COJDCP.com) or call **(855) COJ-4570 (265-4570)**. 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.

### How do I make contribution changes?

You can make contribution changes on the website at [www.COJDCP.com](http://www.COJDCP.com) or by calling **(855) COJ-4570 (265-4570)**. You can also meet with your local retirement plan advisor or call **(904) 255-5569**.

## 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	Roth
<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>	<ul style="list-style-type: none"> <li>• 401(k)</li> <li>• 403(b)</li> <li>• Governmental 457(b)</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. As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers, with a financial advisor and to consider costs, risks, investment options and limitations prior to investing.

### 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 local Empower retirement plan advisor 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 72
- 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.

### Do I pay taxes on distributions of designated Roth 457(b) contributions and any earnings?

When you receive a distribution of your account, you will not owe income taxes on your Roth 457 contributions and any earnings if you have a “qualified distribution” under the Internal Revenue Code. To have a qualified distribution of your Roth 457 contributions and any earnings, you must have satisfied the special five-year holding period and the distribution must occur on or after the date when you’ve reached age 59½, become disabled, or died (at which point a distribution will be made to your beneficiary or estate). If you take a distribution from your Roth 457(b) account before age 59½, death or disability, and before you have satisfied the five-year holding period requirement, you may be subject to income taxes, if applicable, **on any earnings** that are distributed. There is no income tax due **on the Roth contributions** distributed from the Plan because contributions are made with after-tax dollars.

Before making a distribution, contact your local Empower retirement plan advisor 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 plan advisor to request a distribution. Log in to your account at [www.COJDCP.com](http://www.COJDCP.com) to update your beneficiary designation.

## 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 local Empower retirement plan advisor 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.

## 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.

## Investment Assistance

### How can I get help choosing my investment options?

Your Plan offers a suite of services called Empower Retirement Advisory Services<sup>2</sup> that includes:

#### Online Advice

- Fund specific recommendations to help you validate or adjust your already developed strategy.
- Included as part of your plan available at no additional cost to you.

#### My Total Retirement™

- A personalized retirement strategy based on your financial picture that is professionally implemented and managed that can address your savings, investing and retirement income needs.
- Customized spending assistance to help retirement income last longer.

### What fees do I pay to participate in My Total Retirement?

The annual fee for My Total Retirement is based on a percentage of your managed account balance and is debited directly from your retirement plan account balance following the end of each quarter:

Up to \$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
Amounts over \$400,000	0.15%

For example, if your managed account balance is \$50,000, the maximum annual fee will be 0.45% of the account balance (\$225). If your managed account balance is \$500,000, the first \$100,000 will be subject to a maximum annual fee of 0.45% (\$450); the next \$150,000 will be subject to a maximum annual fee of 0.35% (\$525); the next \$150,000 will be subject to a maximum annual fee of 0.25% (\$375); and any amounts over \$400,000 will be subject to a maximum annual fee of 0.15% (\$150).

For more detailed information, please log in to your account at **www.COJDPC.com** (click on the *Investing help* tab) or call Empower Retirement Participant Services at **(855) COJ-4570 (265-4570)**.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

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

Visit the website at **www.COJDPC.com** for more information regarding your Plan, financial education, as well as financial calculators and other tools to help you manage your account. You can also call **(855) COJ-4570 (265-4570)** to speak with a representative Monday - Friday between 8 a.m. - 10 p.m. Eastern time, and Saturdays between 9 a.m. - 5:30 p.m. Eastern time.

You may also contact your local retirement plan advisor by calling **(904) 255-5569**.

- 1 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.
- 2 Online Advice and My Total Retirement™ are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

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