

# **County of Sacramento Deferred Compensation Plan**

## **Overview for current and prospective participants**

### **What is the County of Sacramento 457 Plan?**

The Sacramento County 457 Plan (the Plan) is an Internal Revenue Code Section 457 non-qualified governmental deferred compensation plan. The Plan Document is contained in Section 2.83 of the County Code.

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 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-six (36) investment options in the Plan offered through two investment providers; Washington Mutual and Fidelity Investments. Offerings include FDIC insured certificates of deposit, 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 Employee Benefits Office (EBO) at 700 H Street, Room 6750, or via the Internet at [www.fidelity.com/atwork](http://www.fidelity.com/atwork).

### **How do I join?**

Contact Fidelity Investments at (800) 343-0860 or via the Internet at [www.fidelity.com/atwork](http://www.fidelity.com/atwork) and click **Enroll**.

## **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:**

<b>Age under 50</b>	<b>Age 50 or older</b>
<b>2007 - \$15,500</b>	<b>2007 - \$ 20,500</b>

After 2007, contribution limits will be periodically adjusted for inflation.

## **What is my contribution on my very last paycheck?**

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 shown in the Age under 50 chart above. Contact the EBO 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 457Plan. Typical sources include IRA, 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 Deferred Compensation 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 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 haven't contributed in over two years, contact the EBO to request a de minimus distribution.
- If you have suffered an unforeseeable severe financial hardship, contact the EBO 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.)

Who do I contact for information on:

- Enrollment,
- Changes in beneficiaries,
- Changes in investment allocation,
- Changes in contribution amounts,
- Purchase and sale of a Certificate of Deposit (CD)

Fidelity Investments at, (800) 343-0860 or via the Internet at [www.fidelity.com/atwork](http://www.fidelity.com/atwork).

Who do I contact 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.

Department of Personnel Services  
Deferred Compensation Program  
700 H Street, Room 6750  
Sacramento, CA 95814  
(916) 874-2020  
[PSDBenefits@Saccounty.net](mailto:PSDBenefits@Saccounty.net)

For more information:

<http://insidehra.saccounty.net/events.htm>

We are here to help!