

Building a **Brilliant** Retirement.



City of Memphis 457(b) Deferred Compensation Plan

Eligibility

All employees may join the plan except independent contractors.

Enrollment

Employees may begin participating in the plan immediately.

Employee contributions

Pretax contributions

Through payroll deduction, you may make pretax contributions up to the annual IRS maximum contribution limit. Traditional pretax contributions are deducted from your paycheck before tax calculations occur.¹

- You may contribute up to the annual IRS maximum contribution limit. The maximum contribution limit is \$20,500 for 2022.

Roth contributions

Through payroll deduction, you may make Roth contributions up to the annual IRS maximum contribution limit. Roth contributions are deducted from your paycheck on an after-tax basis. The earnings on your Roth contributions grow tax-deferred, and such earnings may be distributed tax-free if certain conditions are met. Read your Summary Plan Description for more details.

Catch-up contributions

50+ catch-up

Employees age 50 or older by the end of the plan year may be able to contribute catch-up contributions. The IRS limit for catch-up contributions is \$6,500 for 2022. Catch-up contributions will not be considered as such unless the IRS maximum contribution limit has been reached first.

Pre-retirement catch-up

The pre-retirement catch-up provision allows you to make additional contributions during the three years prior to, but not including, the year in which you will reach normal retirement age based upon the total amount of contributions that you could have made in prior years but did not.

Changing contributions

You may increase or decrease your contributions by logging on to **retiresmart.com/cityofmemphis** or by calling the Empower Customer Care Center at **800-743-5274**. Representatives are available weekdays from 7 a.m. to 7 p.m. Central time.

Changing investment/fund options

Reallocate your existing balances or change your future investment allocation mix at any time subject to certain restrictions imposed by the mutual fund.

Rollovers

At any time, you may transfer eligible rollover balances into the plan provided the money is from a qualified retirement plan or an IRA. For rollover assistance, call **888-526-6905**.

Consider all your options and their features and fees before moving money between accounts.

Withdrawals²

Withdrawals from your account balance can be made upon termination, disability, hardships, retirement and death.

Loans

You may borrow money from the plan by taking up to one loan at a time. Your maximum loan balance may not exceed the lesser of one half of your vested account balance or \$50,000.

You may not initiate a loan for less than \$1,000. Your loan is secured by your remaining account balance.

You must repay loans within five years. However, if you take a loan to acquire a principal residence, the loan repayment period may be up to 15 years. The interest rate on your loan will be the prime rate +2%. You pay back the principal and interest directly to your account through payroll deduction. If you don't repay your loan, the IRS considers the unpaid amount to be a taxable payment made to you.

Beneficiaries

You must designate a beneficiary and keep it updated by logging on to **retiresmart.com/cityofmemphis**.

Contact Empower Retirement

For one-on-one plan assistance and questions, contact your education consultant:

Austin Maness

Austin.Maness@empower-retirement.com

901-864-8211

You may also log on to **retiresmart.com/cityofmemphis** or call the Empower Customer Care Center at **800-743-5274**. Representatives are available weekdays from 7 a.m. to 7 p.m. Central time.

Mobile app

Download the Empower RetireSmart app to keep tabs on your retirement account and change your contribution amount to save more no matter where you are. To find the app, search for Empower RetireSmart in the App Store® from Apple® or on Google Play™.

¹ Taxes are assessed when you withdraw the money from the plan.

² Federal and state taxes on pretax contribution and potential earnings will be assessed when money is withdrawn from the plan. Please be sure to consult your tax advisor for specific questions about your individual circumstances before taking any withdrawal. If you take a withdrawal prior to age 59½, you may also be subject to a 10% tax penalty.

On December 31, 2020, Empower Retirement acquired the retirement business of Massachusetts Mutual Life Insurance Company (MassMutual). Following an initial transition period, Empower Retirement will become the sole administrator of this business. Empower Retirement refers to the products and services offered by Great-West Life & Annuity Insurance Company (GWLA) and its subsidiaries, including Empower Retirement, LLC. Empower Retirement is not affiliated with MassMutual or its affiliates.

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