





457 Deferred Compensation – *Investing for Your Retirement*



What is the 457 deferred compensation plan?

Deferred compensation is a program that allows you to invest today for your retirement. Taxes are deferred until your assets are withdrawn.

What are the benefits of investing in a 457 Plan?

-  Reduce current income taxes while boosting your retirement savings.
-  Only pay taxes on earnings when you take a distribution.
-  Contributions are handled through payroll deduction.
-  Consolidate your savings from other qualified plans.

Who is eligible to participate in deferred compensation?

All full-time or permanent part-time employees.

How do I enroll?

Forms are available on the Human Resources Web site or you can contact HR to have enrollment packets sent to you. You can fax or mail completed forms to the Department of Human Resources.

What are the minimum and maximum amounts I can contribute?

Minimum - \$25 per pay.

Maximum- 100% of your gross income or the lesser of the annual limit set for the year. The annual maximum for 2012 is \$17,000.

Can I defer more than the annual maximum?

Two provisions allow eligible participants to contribute more than the annual maximum:

- **Age 50 Catch-Up provision**-For those who will be 50 or older by the end of the year. The annual maximum for 2012 is \$22,500.
- **Pre-Retirement Catch-Up provision**-For those who are within three years of the plans normal retirement age. The annual maximum for 2012 is \$34,000.

When can I enroll or make changes to my contribution?

You can make changes anytime throughout the year. Changes and enrollments will take effect no sooner than the following month after the forms are signed.

Can I make changes to my investments?

Yes, contact your vendor directly or access your account information online.

When can I withdraw my 457 contributions?

You can withdraw funds when you cease employment with the County. In some situations of extreme hardship monies can be withdrawn if the situation meets the strict guideline set forth by the IRS. Contact the Department of Human Resources for information.

How are my income taxes affected?

Your taxable income is reduced by the amount of money you defer. For example, if your salary is \$15,000 and your annual deferral is \$1,000, your taxable income is shown as \$14,000 on your W-2.

Can I use deferred compensation funds to Purchase Prior Service?

Yes, Virginia Retirement System (VRS) prior service may be purchased with a Trustee-to-Trustee transfer from a deferred compensation account. Contact the Department of Human Resources for information.

CONTACT INFORMATION

Managing Your Account:

Establish an online profile to check performance, move money from one fund to another and update personal information. Our representatives can give personalized guidance for your account and answer questions about deferred compensation accounts.

ICMA-RC: www.icmarc.org or 1-800-669-7400

ICMA-RC Representative: Vernon Stockton - (804) 379-9135

ING: www.ingretirementplans.com or 1-800-262-3862

ING Representatives: Lin & Nic Orenduff - (804) 673-1746 or 673-6633

Forms and General Information

Obtain forms to enroll or make changes to contributions. To view financial wellness information or view a schedule of financial events.

Department of Human Resources: www.co.henrico.va.us/departments/hr/benefits

P.O. Box 90775 bal02@co.henrico.va.us

Henrico, VA 23273-0775 (804)501-4355

(804)501-4426 fax

HENRICO COUNTY 457 DEFERRED COMPENSATION INFORMATION REQUEST

To receive an enrollment packet please check below and return to the Department of Human Resources, Benefits Division.

I would like the following forms to be sent to me at my department/location:

Enrollment Information Packet - ING: _____

Enrollment Information Packet – ICMA-RC: _____

Purchase of Prior Service Form - VRS _____

Name: _____

Department/Location: _____