457(b) PLAN

457(b) deferred compensation plans are employer-sponsored retirement savings plans, usually offered by municipalities and governmental entities, which allow employees to defer a portion of their current compensation for payment at a later date, generally retirement. Salary deferrals (or contributions) are voluntary, and are made through the ease of payroll deduction. Under this plan, contributions and earnings accumulate tax-deferred and withdrawals are taxed as ordinary income. This plan offers an important supplement to pension plans and/or Social Security.

A 457(b) deferred compensation plan is a supplemental retirement savings program that allows you to make contributions on a pre-tax basis. Federal and, in most cases, state income taxes are deferred until your assets are withdrawn, usually during retirement when you may be in a lower tax bracket. Most 457(b) deferred compensation plans allow you to increase, decrease, stop and restart contributions at any time.

CONTRIBUTIONS

You may defer a maximum of 100% of your gross compensation or an annual dollar limit, whichever is less. The annual contribution limit for 2014 is $17,500. 457(b) plans offer two "catch-up" provisions which allow you to contribute more than the normal annual contribution amount.

Pre-Retirement Catch-Up

The pre-retirement catch-up provision allows you to make additional contributions to make up for years you were eligible to participate in your current employer's 457(b) plan, but did not contribute the maximum. Under the pre-retirement catch-up, you can double the ordinary maximum contribution for up to three years. For 2014, you may contribute an additional $17,500 or a total of $35,000.

Age 50+ Catch-Up

The age 50+ catch-up provision allows you to contribute an additional annual amount when you reach age 50 or older, up to an additional $5,500 in 2014.

457(b) Plan Limits: 2014 versus 2013

Limitations	2014	2013
Annual Deferral Limit	$17,500	$17,500
Pre-Retirement Catch-Up Limit	$17,500 ($35,000 total)	$17,500 ($35,000 total)
Age 50+ Catch-Up Limit	$5,500 ($23,000 total)	$5,500 ($23,000 total)

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457(b) PLAN

ACCOUNT ACCESS

You are eligible to withdraw funds from your 457(b) plan when you separate service from your employer (for any reason) or for an approved unforeseeable emergency. After separation from service, you may also rollover your account into an IRA or an existing qualified retirement plan.

How and when you choose to withdraw assets from your account are important decisions. There are many considerations — the form of payment, the tax consequences, and your other forms of retirement income. You should review several factors before making a decision, including:

- You pay taxes only on money you receive, while funds that remain in your account and any future investment earnings continue to accumulate tax-deferred until they are withdrawn.
- You may continue to direct the investment of the assets that remain in your account as allowed by your employer's plan.
- Any remaining account balance will be available for distribution to your beneficiary(ies) in the event of your death.
- You are typically subject to 20% mandatory federal tax withholding if you elect to directly receive funds eligible for rollover to another employer plan or an IRA.
- Regardless of your age, you are not subject to a 10% early withdrawal penalty on distributions of 457(b) plan contributions and earnings. However, you may be subject to the 10% early withdrawal penalty tax for withdrawals of non-457(b) plan rollover funds that you moved into the plan.
- Distribution of assets must begin not later than April 1st of the year following the year you reach age 70½.

The benefits of participation include:

- Reducing current income taxes while investing for retirement.
- Your earnings accumulate tax-deferred.
- Additional contributions may be made if you are 50 (or older) or within three years of your normal retirement age (see catch-up provisions above).
- Flexibility to move your account to an IRA or a new employer's retirement plan if you separate from service.
- Flexible withdrawal options — you determine the payment schedule that is right for you.
- If you retire or leave service early, there is no penalty for withdrawals; however, you will pay taxes on the amount that you withdraw.
- In the event of your death, designated beneficiaries are entitled to receive all remaining funds in your account.
- **Access to Managed Account Services** — Retirement Plan Advisors Portfolio*Plus*SM Program is a professional asset management service specifically designed for employer-sponsored defined contribution plans. With Portfolio*Plus*SM, participants can rest easy knowing that they have delegated the fund manager selection and on-going monitoring of their account to the investment professionals at RPA. Additionally, as an option at the participant level, Portfolio*Plus*SM provides plan sponsors with an elegant way to provide access to investment advice without incurring plan level fees.

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