

Video Transcript (English)

Title: Plan. Save. Retire.

Speaker: Rosemary Isham

Description: This video provides a basic overview of the Florida Deferred Compensation Plan.

Learn:

- What is the Florida Deferred Compensation Plan?
- Brief History of the Plan
- Who is Eligible for the Plan?
- Bridging the Savings Gap
- Start Saving Now
- The Importance of Saving More
- Contribution Types: 457b Pre-Tax and 457b Roth
- Types of Investments
- Quarterly Performance Report Information
- Investment Provider Contact Information
- Plan Contacts

[Video starts.]

[Florida Deferred Compensation Plan logo and CFO Jimmy Patronis logo are on-screen.]

[Music plays in.]

[Cut to speaker on-screen.]

Hello, I am Rosemary Isham, Chief of the Bureau of Deferred Compensation and Plan Administrator of the Florida Deferred Compensation Plan. My role oversees the Plan and its Investment Providers.

[Cut to title card.]

What is the Florida Deferred Compensation Plan?

[Cut to text on-screen.]

Commissioned in 1982, the Florida Deferred Compensation Plan serves over 90,000 current and former employees, with more than \$5 billion invested. The Florida Deferred Compensation Plan is a voluntary retirement plan for Government Employees in the State of Florida. The Plan supplements benefits offered by the employer sponsored plans like the Florida Retirement System and the benefits of the Social Security Administration. The Plan operates under section 457b of the Internal Revenue Code and is designed to help each Participant plan, save, and retire.

[Cut to title card.]

Who is Eligible for the Plan?

[Cut to text on-screen.]

The Florida Deferred Compensation Plan is offered to all State of Florida employees. This includes OPS employees and the employees of the State University System, the State Board of Administration, and other Government Employers, including Counties, Cities, State Colleges, Special Districts, Water Management Districts, and more (subject to employer participation).

[Cut to speaker on-screen.]

Let's discuss why the Florida Deferred Compensation Plan is important and how it can best help meet your retirement goals.

[Cut to animation on-screen: A bridge is being built above a road as the speaker explains the information conveyed by the signs that are placed on the bridge as it's being put together.]

Most employees will have a mandatory employer sponsored retirement plan that replaces approximately 48% of pre-retirement income. Social Security replaces about 30% of pre-retirement income, leaving an income gap of nearly 22%. The Florida Deferred Compensation Plan will help you bridge this gap and get you to 100% income replacement. But it's important to start early.

[Animation ends with a car driving across the fully built bridge.]

[Cut to animation on-screen: A graph is being populated with data as the speaker explains its contents.]

Let's compare two employees. Jamie and Jordan both begin employment at age 25. Jamie starts saving \$100 every month with the Plan, right away. Jordan, however, waits 10 years to start saving and now must save \$234 a month to reach a similar retirement balance. Be like Jamie and start saving, now.

[Cut to speaker on-screen.]

Your retirement needs might be different. Some people need more and some people need less, but it's all about what is manageable for you.

[Cut to animation on-screen: A chart sits in the bottom left with data the speaker is talking about; an airplane sits above the chart, and lines come out of the plane and end on certain points of a map of Florida to represent travelling further with your savings by saving more.]

Consider saving as little as \$25 a month. You could save almost \$4400 in as little as 10 years. Bump that up to \$50 a month and you could save around \$26,000 over 20 years. Saving more over a longer time keeps trending upwards. When you look at saving \$75 over 30 years, you could reach over \$91,000 in savings. You should save what is manageable, but it is important to see how budgeting to save more for retirement can take your savings further.

[Disclaimer on-screen: All charts/graphs are for illustrative purposes only and are not meant to represent the performance of any specific investment option. Each scenario assumes a 7% return and reinvestment of earnings, with no withdrawals. Return amounts have been rounded down to the nearest dollar. Rates of return may vary.]

Remember, Jamie was able to reach around \$122,000 just by saving \$100 a month for 30 years. But imagine if Jamie had saved even more.

[Animations ends with a rocket flying off screen to represent the possibilities of saving more than \$100 a month.]

[Cut to speaker on-screen.]

The Florida Deferred Compensation Plan is proud to offer two different payroll contribution types: 457b Pre-Tax and 457b Roth.

[Cut to image on-screen: Blue piggy bank with “457b Pre-Tax” text on the side.]

457b Pre-Tax payroll contributions are deducted from your salary before taxes are taken which might reduce your taxable income. Your earnings grow tax-deferred, and distributions from both contributions and earnings are taxable as current income when withdrawn in retirement.

[Cut to image on-screen: Gold piggy bank with “457b Roth” text on the side.]

457b Roth payroll contributions are made after taxes are taken and are subject to Federal Income Tax withholdings. Qualified distributions from 457b Roth contributions and the investment growth on those contributions are distributed tax-free.

[Cut to image on-screen: Venn diagram in the shape of two piggy bank silhouettes with information on the differences and similarities of 457b Pre-Tax and 457b Roth. The information in the Venn diagram is not read by the speaker, but it is listed as follows:

457b Pre-Tax: Payroll contributions that lower taxable income, distributions taxed as income, and penalty-free withdrawals after 31 days of separation from employment.

457b Roth: Post-tax payroll contributions, qualified distributions are not included in gross income, and 457b Roth qualified distribution rules apply.

Both: Same investment options, contributions combine to Maximum Limits for 457b, penalty-free account modification, consolidate other eligible retirement accounts, and invest accrued leave and DROP accumulations into the Plan.]

As a Participant in the Florida Deferred Compensation Plan, you can contribute to both 457b Pre-Tax and 457b Roth in the same year in any proportion you choose. Your personal retirement goals, retirement planning tools, and a meeting with one of our dedicated Investment Provider representatives can help you decide what is best for you.

[Cut to speaker on-screen.]

The same investment options are available for 457b Pre-Tax and 457b Roth payroll contributions. Let's talk about the three main types of investments available.

[Cut to image on-screen: Mutual Funds graph showing growth over time that fluctuates up and down but ultimately goes up.]

Mutual Funds respond to the ebbs and flows of the financial markets and the overall economy. They are classified by asset categories that identify the types of Stocks or Bonds held for investment.

[Cut to image on-screen: Fixed Accounts graph showing steady, conservative growth upwards over time.]

Fixed Accounts are much like savings accounts that gain a predetermined return that is guaranteed by the company offering the product and is set by contract.

[Cut to image on-screen: Target Date Funds graph showing steady growth over time that starts out aggressively and ends more conservatively.]

Target Date Funds provide a diverse mix of investment—including stocks, bonds, and cash equivalents—that periodically and automatically adjust over time to grow more conservative as you near your target retirement date. These are the default investments should a Participant not select Mutual Funds or a Fixed Account.

[Cut to speaker on-screen.]

Other than the three types of investments, the Plan also makes available a Self-Directed Brokerage that allows Participants to invest in Stocks, Bonds, Exchange Traded Mutual Funds, Options, and other investments outside of the financial oversight of the Florida Deferred Compensation Plan.

[Cut to image on-screen: Thumbnail image for the Plan Watch Booklet, depicting a lighthouse, at night, with the words “Plan Watch” appearing in the shining of the lighthouse directional light; four images appear over the bottom right corner of the thumbnail to represent the 1st, 2nd, 3rd, and 4th Quarters of the year (1st Quarter = Blue; 2nd Quarter = Bronze; 3rd Quarter = Silver; 4th Quarter = Gold).]

For a more comprehensive look at the Plan and its investment options, refer to the Plan Watch Booklet and the Quarterly Performance Report.

[URL on-screen for Plan Watch Booklet: MyFloridaDeferredComp.com/PWB.]

[Cut to images on-screen: Three Investment Provider logos.]

The Florida Deferred Compensation Plan has three Investment Providers: Corebridge Financial, Nationwide Retirement Solutions, and Voya Financial. All three have great resources available to help you prepare for retirement.

[URL on-screen for Corebridge Financial: FloridaDCP.CorebridgeFinancial.com.

Phone number on-screen for Corebridge Financial: 888-467-3726.

URL on-screen for Nationwide Retirement Solutions: NRSFlorida.com.

Phone number on-screen for Nationwide Retirement Solutions: 800-949-4457.

URL on-screen for Voya Financial: Florida457.BeReady2Retire.com.

Phone number on-screen for Voya Financial: 800-282-6295.]

[Cut to image on-screen: Image of Florida separated into five regions by color. Text next to the image of Florida reads, "Find an Investment Provider Representative in Your Region."]

Each of the Investment Providers has local area representatives that are available to help employees with education, investments, and account servicing. Visit MyFloridaDeferredComp.com and click on "Find an Investment Provider Representative in Your Region".

[Cut to speaker on-screen.]

The Florida Deferred Compensation Plan is here to help you, plan what is possible, save what is manageable, and retire when comfortable.

[Cut to images on-screen: Florida Deferred Compensation Plan logo and CFO Jimmy Patronis logo are on-screen.

URL on-screen for Florida Deferred Compensation Plan homepage: MyFloridaDeferredComp.com.

Toll-free phone number on-screen for Florida Bureau of Deferred Compensation: 877-299-8002.

Fax number on-screen for Florida Bureau of Deferred Compensation: 850-488-7186.

Email address on-screen for Florida Bureau of Deferred Compensation:
DeferredCompensation@MyFloridaCFO.com.]

[Music plays out.]

[Video ends.]