

# NORTH FLORIDA COLLEGE

## RETIREMENT TEXTBOOK



### Key Benefits of the Plan

- Easy to understand fee structure and low fund expense fees
- Excellent investment options, including Fixed Accounts, Target Date Funds, numerous Mutual Funds, and a Self-Directed Brokerage Account
- Penalty-free account modification, such as contribution change, investment reallocation, and Investment Provider addition/replacement
- 457b Pre-Tax and 457b Roth payroll contributions are allowed
- Consolidate other eligible retirement accounts
- Dedicated customer service and professional investment performance oversight from the Bureau of Deferred Compensation and the Plan's Investment Providers
- Immediate vesting

#### 457b Pre-Tax Payroll Contributions:

- Payroll contributions that lower taxable income
- Distributions taxed as income
- Penalty-free withdrawals after 31 days of separation from employment

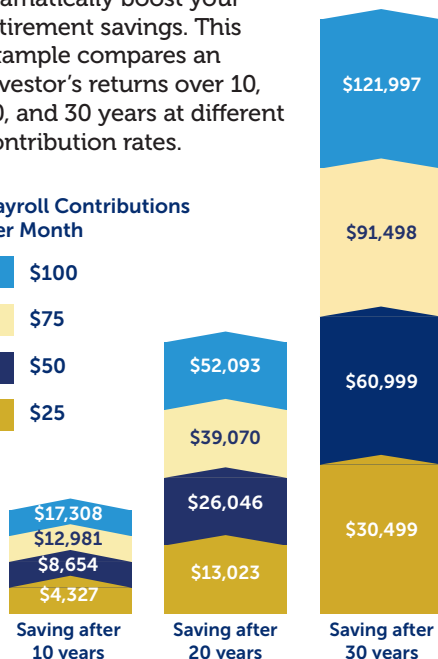
#### 457b Roth Payroll Contributions:

- Post-tax payroll contributions
- Qualified distributions are not included in gross income
- 457b Roth qualified distribution rules apply

This chart shows how making contributions to your Deferred Compensation Plan can dramatically boost your retirement savings. This example compares an investor's returns over 10, 20, and 30 years at different contribution rates.

#### Payroll Contributions per Month

- \$100
- \$75
- \$50
- \$25



*This graph is for illustrative purposes only and not meant to represent the performance of any specific investment option. The scenario assumes monthly payroll contributions, a 7% annual rate of return and reinvestment of earnings, with no withdrawals. Rates of return will vary.*

# Wondering Which 457b Payroll Contribution Type is Right for You?

## It's as easy as A, B, C.



### Option A: 457b Pre-Tax payroll contributions:

- Wants to continue making payroll contributions that lower current taxable income.
- Paying income taxes on distributions of principal and interest during retirement is not concerning.
- Likes knowing part of what would have been paid in taxes, now, is invested as a contribution.

### Option B: 457b Roth (post-tax) payroll contributions:

- Lowering current taxable income is not top priority.
- Expects similar or higher tax rates at retirement, so paying taxes now means tax-free interest (on qualified distributions) at retirement.
- Willing to continue making the same contribution, even though there is not a current tax benefit; or comfortable with reducing contributions, so the net effect on their paycheck remains similar.



Bailey



Cameron

### Option C: Combination of 457b Pre-Tax and 457b Roth (post-tax) payroll contributions:

- Wants the best of both worlds: Pre-Tax payroll contributions that lower taxable income now and Roth payroll contributions that are taxed now but earn tax-free interest (on qualified distributions).
- Likes flexibility in taxation of distributions, which having both deferral types at retirement offers.
- Considers personal ability to make payroll contributions to the Plan and how each deferral type impacts their paycheck.

The type of payroll contribution you make to the Florida Deferred Compensation Plan depends on you. Each Investment Provider has tools to help customize your contributions to meet your specific retirement goals.

## Plan. Save. Retire

# Employer Sponsored Plan

## Choose One

### FRS Investment Plan

- Mandatory employee contribution and employer contribution
- Defined contribution invested in funds chosen by employee
- Vested after 1 year of FRS-covered service (you are always fully vested in your own contributions)

### FRS Pension Plan

- Mandatory employee contribution and employer contribution
- Defined benefit paid at retirement based on number of years of service and highest earning years
- Vested after 8 years of FRS-covered service (you are always fully vested in your own contributions)

OPS employees are not eligible for employer sponsored plans, but are eligible to enroll in a voluntary/supplemental retirement plan.

# Plan. Save. Retire.

## Voluntary / Supplemental Retirement Plan

### 457b Pre-Tax

- Payroll contributions that lower taxable income
- Distributions taxed as income
- Penalty-free withdrawals after 31 days of separation from employment

### 457b Roth

- Post-tax payroll contributions
- Qualified distributions are not included in gross income
- 457b Roth qualified distribution rules apply

### Personal Investments or Savings Plans

- Available through your bank or personal financial advisor

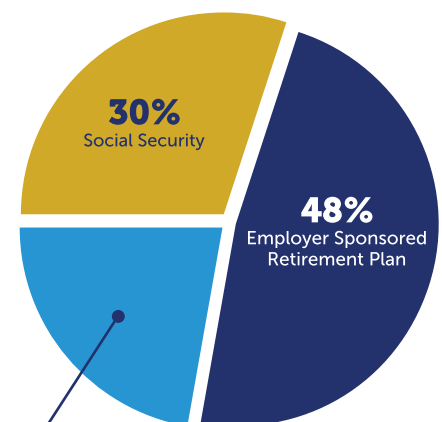
### Social Security\*

- Exact benefit depends on several factors including retirement date, earnings, and the number of years paid into the fund

\*OPS employees do not earn Social Security Credits because they participate in the FICA Alternative Plan. For Social Security benefit questions please contact the Social Security Administration office.

## Bridge the Gap

Your employer sponsored retirement plan and Social Security are likely to only provide about 78% income replacement during retirement. That leaves a 22% gap in income replacement. The Florida Deferred Compensation Plan is available to help bridge the savings gap.



**22% Bridges the Gap**  
to get to 100% Income Replacement

Online enrollment is available at [MyFloridaDeferredComp.com](http://MyFloridaDeferredComp.com)



**-OR-** Enroll via one of these options:

Fax completed  
EZ Enrollment Form to:  
**850-488-7186**

Mail completed  
EZ Enrollment Form to:

Department of Financial Services  
Bureau of Deferred Compensation  
200 East Gaines Street  
Tallahassee, FL 32399

Set up enrollment by contacting an:  
**Investment Provider**



888-467-3726  
[FloridaDCP.CorebridgeFinancial.com](http://FloridaDCP.CorebridgeFinancial.com)



**Nationwide®**  
is on your side

800-949-4457  
[NRSFlorida.com](http://NRSFlorida.com)



800-282-6295  
[Florida457.BeReady2Retire.com](http://Florida457.BeReady2Retire.com)



888-393-7272  
[Schwab.com/PCRA](http://Schwab.com/PCRA)  
*Enrollment available by request.*



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