

What is the 457 Deferred Compensation plan?

Deferred compensation is a voluntary savings 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 Taxes are deferred until your assets are withdrawn.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.
- Contribute through payroll deductions.
- 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?

Visit www.empowermyretirement.com and select the REGISTER button. Select the "I do not have a PIN" tab and enter your information. The website will guide you through the enrollment process.

What are the minimum and maximum amounts I can contribute?

- **Minimum** - There is no minimum amount.
- **Maximum** - 100% of your gross income or the lesser of the annual limit set for the year. The annual maximum for 2024 is \$23,000.

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 2024 is \$30,500 (total).
- **Pre-Retirement Catch-Up provision** - For those who are within three years of the plan's normal retirement age. The annual maximum for 2024 is \$46,000 (total).

When can I enroll or make changes to my contribution?

You can make changes anytime throughout the year. Changes and enrollments will take effect the pay period following your online request.

Can I make changes to my investments?

Yes, contact Empower 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 In some situations of extreme hardship monies can be withdrawn if the situation meets the strict guidelines set forth by the IRS. Contact Empower Retirement directly for more information on unforeseeable emergencies.

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 deferred compensation amount is \$1,000, your federal and state taxable income is \$14,000 on your W-2. However, you will pay Social Security and Medicare taxes on the amount you defer.

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, HR Benefits at (804) 501-4355 for information.