



Deferred Compensation 457b Plan

PRESENTED BY EMPOWER RETIREMENT



Presenters



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2022



Your Journey to Retirement

City of Houston 457(b) Deferred Compensation Plan

Empower Retirement™

- Represents nearly 7.2 million participants accounts as of September 30, 2014¹
- Chosen by your employer to provide administrative, education and communication services
- Helps you understand and evaluate your financial situation
- Provides information to help you make financial decisions



¹ Information refers to all retirement business of Great-West Life & Annuity Insurance Company and its subsidiaries

Getting Started

What is a 457(b) plan?

- Section 457(b) of the Internal Revenue Code
- It can help you save and invest extra retirement money.
- You can voluntarily set aside some of your income before you pay current taxes.
- In 2022, you can contribute 100% of your compensation or \$20,500 (whichever is less).
- Contributions to the Plan through voluntary salary deferral and any earnings can grow tax deferred until withdrawn, usually during retirement.



Getting Started

Who is eligible to enroll?

- Requirements:
 - All regular full and part-time employees
- You can get started for a minimum of \$15 or 1% per pay period.



Getting Started

What is “Age 50+ Catch-Up”?

- If you are age 50 or older during the calendar year, you may make additional contributions to your Plan account.
- You may contribute an additional \$6,500 in 2022.

What is the “Special Catch-Up”?

- If you are within three calendar years of retiring, you may contribute a total of \$41,000 to your Plan account; \$20,500 for the IRS Contribution Limit and an additional \$20,500 for the Special Catch-Up
- You cannot use both the Age 50+ Catch-Up and the Standard Catch-Up in the same calendar year.

Roth Option

- **What is a Roth Deferral?**
- **Flexibility**
 - Designate all or a portion of your elective contributions
- **After-tax Roth account**
 - “Locks in” today’s tax rates on all contributions
 - Suitable for higher tax bracket at retirement
- **Before-tax traditional account**
 - Contributions and any earnings on contributions are tax-deferred until you take a distribution
- **Suitable for lower tax bracket at retirement**
- **Employer-matching contributions are treated as before-tax contributions**
 - They may be subject to income taxes upon distribution



Reasons to Enroll Now

- Easy enrollment and savings
- Tax-deferred savings
- Investment options
- Convenient account management
- Personal and professional service
- Savings and investment education



Plan for Your Destination

How much will you need for your retirement, and where will the money come from?

- Social Security (may only replace 40% of working income for an average wage earner¹)
- Traditional employer pension plans
 - Windfall Elimination Provision
- Personal savings
- A tax-deferred retirement plan



¹ Source <http://www.ssa.gov/retire2/r&m6.htm>, December 2014

Save Enough to Afford Retirement

- Most financial advisors say you'll need about 70% of your pre-retirement earnings to comfortably maintain your pre-retirement standard of living¹
- Many people are living longer and healthier lives than ever before²
- Social Security may not be enough
- Don't forget about inflation

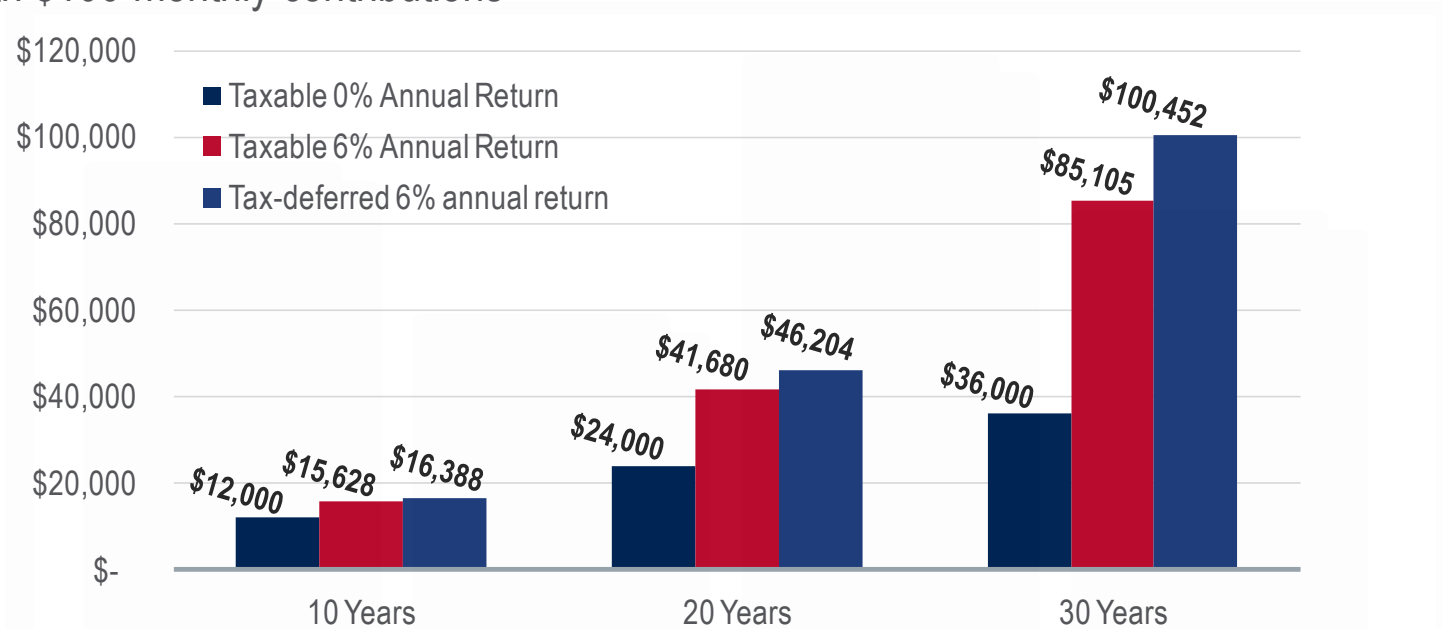
A large, three-dimensional blue graphic of the number '70%' is centered on the right side of the slide. The numbers and the percentage sign are rendered in a bold, sans-serif font with a slight shadow beneath them, giving them a 3D appearance.

¹ Source: <http://www.ssa.gov/retire2/r&m6.htm> , December 2014

² <http://www.ncbi.nlm.nih.gov/pubmed/24028235>, December 2014

How Your Contributions Can Add Up

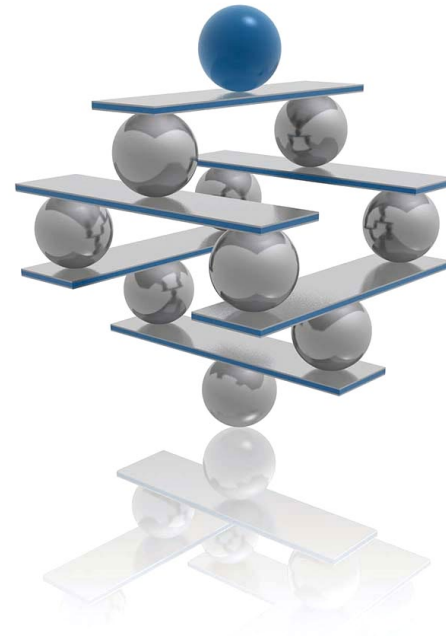
- With \$100 monthly contributions



FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is intended to show a comparison between investing in a tax-deferred versus a taxable investment vehicle. It is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 6% annual rate of return, a 15% federal income tax bracket, and reinvestment of earnings with no withdrawals. Rates of return may vary. Distributions from a tax-deferred retirement plan may be taxable as ordinary income. Assumes that the taxable account does not hold any investment for more than 12 months. Taxable investments held longer than 12 months may qualify for lower capital gains and/or qualified dividend tax rates, which may make the return on the taxable investments more favorable, thereby reducing the difference in performance between the accounts shown. The illustration does not reflect any associated charges, expenses or fees. The tax-deferred accumulation shown would be reduced if these fees had been deducted.

Understand How Risk Affects Your Journey

- Consider putting your money into a number of different types of investment options.¹
- Invest for the long term.
- Be aware of being too cautious.
- Review your investments when you change your long-term goals.
- Risk: the possibility of gain or loss on your investment
- Return: the actual gain or loss on your investment



¹ Diversification does not ensure a profit and does not protect against loss in declining markets.

Rollovers

- You can roll over into this Plan approved balances from a former employer's 401(a), 401(k), 403(b) or governmental 457(b) plan or from an IRA.¹
- If you leave your employer, you can roll over your account to your new employer's 401(a), 401(k), 403(b) or governmental 457(b) plan (if allowed) or to an IRA.¹
- Discuss any rollover with your personal financial or tax advisor before making this decision.



¹ If you roll over any 457 dollars you may have from a previous employer's plan to a 401(a), 401(k), 403(b) or IRA, you will no longer be able to take a withdrawal before age 59½ without possibly incurring the 10% federal tax penalty if you leave employment.

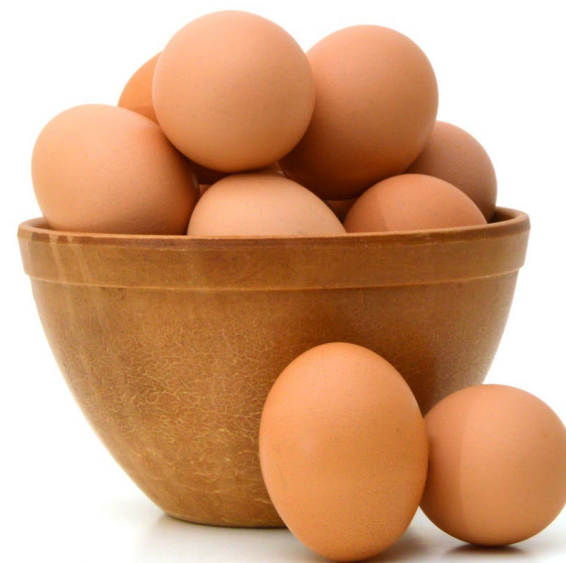
Withdrawals¹

You can withdraw when you:

- Retire
- Terminate employment²
- Suffer a financial hardship²
- Reach age 72
- Die (your beneficiary(ies) will receive your account)

Distribution options:

- Lump sum
- Periodic payments
- Annuity payments
- Partial lump sum with remainder as periodic or annuity payment
- Roll over to another plan (if allowed by the employer) or to an IRA



¹ Withdrawals may be subject to ordinary income tax. Withdrawals prior to age 59½ may be subject to a 10% federal tax penalty. The 10% early withdrawal penalty does not apply to 457 plan withdrawals.

² As defined by the Internal Revenue Code and/or your Plan's provisions.

Fees

- Empower Retirement Fees:
 - There are currently no explicit fees charged for recordkeeping or administrative services
 - Individual Investment Option Fees:
 - Varies by fund

¹ Each investment option has its own operating expenses. Funds may impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. For more information, see the fund's prospectus and/or disclosure documents.

Loans

- Your Plan allows you to borrow up to 50% of your account balance.
- The minimum loan amount is \$1,000.
- The maximum loan amount is \$50,000.
- The origination fee is \$50 per loan, deducted from the loan proceeds.
- There is an annual maintenance fee of \$25, deducted at \$6.25 quarterly from your account.
- You have up to 5 years to repay the loan, or you may qualify for an extended repayment period based on your Plan if the loan is used for the purchase of your primary residence.



Go After Your Destination

- Enroll in your Plan today!
- Get the enrollment forms from your local registered representative.
- Read the forms carefully, complete each section, and sign and return them.
- Contact a customer service representative if you have any questions at 713-426-5588.



Representatives of GWFS Equities, Inc. are not registered investment advisors and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

Keep Track of Your Journey

Services Available	KeyTalk ¹ (800) 701-8255	Website ¹ www.houstondcp.com
Order or personalize your PIN ²	X	X
Check account balance, allocations and transactions ¹	X	X
Check investment performance	X	X
Reallocate funds	X	X
Use financial calculators and tools		X
Email a customer service representative		X
Talk with a customer service representative 7a.m.-6 p.m. Mountain time	X	

¹ Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website and/or KeyTalk received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

² The account owner is responsible for keeping their PIN/Passcode confidential. Please contact Client Services immediately if you suspect any unauthorized use.

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Go Mobile

- Visit www.houstondcp.com from your smartphone¹
 - View your projected retirement income²
 - *Brought to you by Advised Asset Group, LLC,
a registered investment adviser*
 - Check your account balance and history
 - See your paycheck contribution amount
 - Look at your current rate of return
 - Review the investment options in your portfolio
 - Elect to go paperless with electronic statements
- Easy access
 - Launches automatically
 - No need to download or update
 - Create a shortcut icon
 - Must be a registered user on desktop site



¹ Access to the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

² Projected Retirement Income is an educational tool that provides hypothetical information for illustrative purposes only. It is not intended to provide financial planning or investment advice. Projected Retirement Income brought to you by Advised Assets Group, LLC, a registered investment adviser. All rights reserved.

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Unless otherwise noted: Not a Deposit | Not FDIC Insured | Not Bank Guaranteed | Funds May Lose Value |
Not Insured by Any Federal Government Agency

Questions?

- Kimberly Turner
- Retirement Plan Counselor
- 713-724-7708 or kimberly.turner@empower.com

If you are interested in enrolling, please email Kimberly and request the packet.