



# Deferred Compensation, Retirement & Social Security



# Deferred Compensation Program

- ◆ Voluntary retirement savings program to supplement your pension
- ◆ Two plans
  - 401(k) Shared Savings Plan
  - Section 457 Plan ( before-tax) /Section 457 Roth (after-tax)
- ◆ Contributions for the 401(k) and the 457 Plan made through payroll on a pre-tax basis
- ◆ Contributions for the 457 Roth made through payroll on an after-tax basis
- ◆ All contributions are immediately vested



# Deferred Compensation Program

- ◆ Wide choice of investment options
  - Core options
  - Mutual Fund Window
  - BrokerageLink account
  - Managed account
- ◆ Enroll anytime - no open enrollment period
- ◆ Rollover funds from an IRA or another employer's 401(k), 401(a), 457, 457 Roth, 403(b) or other qualified plan into the County Plans



# The Power of Compound Interest

## Invest now. Thank yourself later!



**“Michelle”**  
25 years old  
Saves \$5,000/yr  
for 10 years and  
then maintains  
account  
(\$50k invested)



**“Bill”**  
35 years old  
Starts saving  
\$5,000/yr for 30  
years  
(\$150k invested)



# The Power of Compound Interest (*cont.*)



Assuming a 7.75% annual rate of return, Michelle's portfolio of \$50,000 would grow to **\$1.1 million** by the time she hits 65 years.



Assuming the same rate of return, Bill's portfolio would ultimately grow to **\$662,000** by age 65.





# Eligibility

## ◆ 401(k) Shared Savings Plan

- Regular County employee with a work schedule of at least 40 hours a biweek

## ◆ Section 457 Plan

- Regular County employee with a work schedule of at least 40 hours a biweek if represented by CNA, SPOAVC, or IUOE
- All other regular County employees , and employees in the CNA Per Diem Unit, regardless of work schedule



# 401(k) Shared Savings Plan

- ◆ Contribution is a percentage of regular earnings
  - Minimum: Varies by bargaining group
  - Maximum: 100% of available income after mandatory deductions
- ◆ Matching contributions for some groups
  - Refer to current Plan Information flyer
- ◆ Loan provision
- ◆ Distributions may be subject to 10% early withdrawal penalty prior to age 59½
- ◆ Distributions are taxed as regular income



# 457 Plan

- ◆ Contribution is a dollar amount
  - Minimum: \$10.00
  - Maximum: All of your available income after mandatory deductions
- ◆ No matching contributions or loan provision
- ◆ IRS-mandated waiting period
  - Contributions generally start the first payday in the month following the month you enroll in the Plan
- ◆ No early withdrawal penalty
- ◆ Distributions are taxed as regular income





## 457 Roth

- ◆ Same mandates as before-tax option
- ◆ Contributions are made after-tax and are subject to federal and state tax
- ◆ Money grows tax free
- ◆ Distributions are tax free if you meet the requirements of a qualified distribution:
  - Account held for a 5-taxable year period from initial contribution
  - Must be at least 59<sup>1/2</sup> at time of withdrawal



# 2015 IRS Plan Limits

- ◆ 401(k) Contribution Limit
  - \$18,000
  - Age 50 and over \$24,000
- ◆ 457 Contribution Limit / Roth 457 Limit (Combined)
  - \$18,000
  - Age 50 and over \$24,000
- ◆ Both Plans combined
  - \$36,000
  - Age 50 and over \$48,000



# How to Enroll

- ◆ Enrollment directly through Fidelity
- ◆ Fidelity receives your eligibility information when you receive your first paycheck
- ◆ Three enrollment options:
  - Online: <http://netbenefits.com/easy>
  - Online: <http://netbenefits.com/ventura>
  - Phone: 800/343-0860



# Enroll in 60 seconds

- ◆ Logon to: <http://netbenefits.com/easy>
- ◆ Select from three starting contribution rates
- ◆ Select or opt-out of annual increase program
- ◆ Placed in target date fund investment option
- ◆ Desktop computer or mobile device







# Online Enrollment

- ◆ Go to <http://netbenefits.com/ventura>
- ◆ Create a personal identification number (PIN)
- ◆ Logon using your newly-created PIN
- ◆ Select the Plan(s) you want to enroll in
- ◆ Follow the step-by-step instructions to complete your enrollment
- ◆ Don't forget to designate your beneficiaries
- ◆ For additional security, set up a Customer ID#



# Online Tools

- ◆ Check your account balance
- ◆ Print a statement
- ◆ Set up online statements
- ◆ Change your investment elections
- ◆ Review your asset allocation
- ◆ Change your contribution amount
- ◆ Add or change your beneficiary
- ◆ Go Green – elect to go paperless
- ◆ Full View, online workshops, calculators . . .



# Contact Information

- ◆ Fidelity Investments
  - 800/343-0860
  - <http://netbenefits.com/ventura>
- ◆ Fidelity Investments – for rollovers
  - Thomas Huerta -818/914-9870
- ◆ Deferred Compensation Program
  - 805/654-2620
  - [deferred.compensation@ventura.org](mailto:deferred.compensation@ventura.org)

