

GET TO KNOW MO DEFERRED COMP



Your State of Missouri Retirement Savings Plan

Key Plan Features

THE BASICS

- Your income in retirement will come from three primary sources: your defined benefit pension, social security, and personal retirement savings.
- Deferred comp is one of the **lowest cost plans in the nation!**
- You have the opportunity to contribute to deferred comp and receive the state match up until you retire.
- You can withdraw your 457 contributory source funds, **penalty free**, after you leave state employment.
- You have direct access to the plan's financial education professionals.

ELIGIBILITY & ENROLLMENT

If you are a state employee, you are immediately eligible to save with the MO Deferred Comp Plan. **To help you get started, new full- or part-time employees automatically begin contributing 1% pretax per paycheck to their deferred comp account.**¹

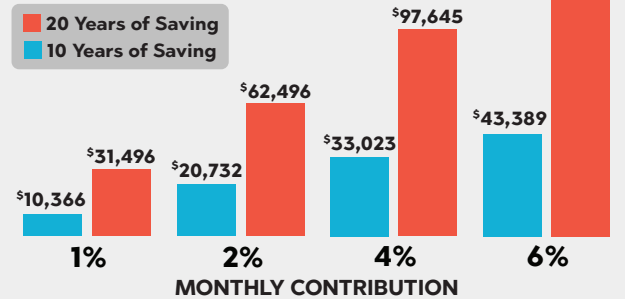


Use the **Grow Your Retirement Savings** calculator at modeferredcomp.org to estimate your balance.

PLAN COSTS

- **Administration:** \$12 a year and 0.09% of assets
- **Average Investment Management:** 0.14%

Estimated Account Balance at Retirement³



The average state employee² saves roughly 6% per paycheck.

Contributing to Your Retirement Savings Account

CONTRIBUTION OPTIONS

With deferred comp, you have the opportunity to **save with pretax and Roth (after-tax) contributions.**

- 1 **Pretax contributions** are taxed when you withdraw your money. Every pretax dollar you contribute lowers your taxable income.

Pretax



- 2 **Roth contributions** are taxed now instead of when you withdraw your money

ROTH



2024 IRS Contribution Limits

Maximum Annual Deferral Under age 50	\$23,000
Age 50 and Over Catch-up	\$30,500
Pre-Retirement Catch-up	\$46,000

ADDITIONAL INFORMATION

- You can save with either a **flat-dollar or percent-of-pay contribution.**
- **You may roll money into deferred comp** from a qualified retirement plan, 457(b), 401(a), 401(k), 403(b), traditional IRA, and BackDROP. Roth IRA assets cannot be rolled into a 457(b) plan.
- If your agency allows it, **you can contribute your comp time pay to your deferred comp account at any point in your career.**

¹ Automatic enrollment excludes universities and previous temporary or seasonal non-benefit eligible employees. ² Data refers to the average 25-year employee ³ Assumes starting salary of \$35,000, 2% annual salary increases, 6% annual rate of return, and a monthly match up to a maximum of \$75.

The Match

If you contribute **at least \$25 a month** to your deferred comp account, the **State of Missouri** will match your contributions dollar-for-dollar up to a **maximum of \$75 each month**.⁴

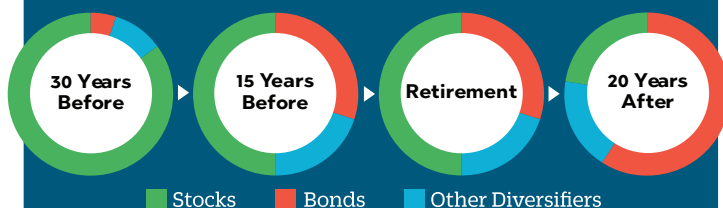
Your Monthly Contribution	+	Monthly State Match	=	TOTAL Monthly Contribution	Balance in 10 Years ⁵	Balance in 25 Years ⁵
\$20		\$0		\$20	\$3,278	\$13,850
\$25.67		\$25.67		\$51.34	\$8,414	\$35,578
\$50.89		\$50.89		\$101.78	\$16,680	\$70,533
\$75		\$75		\$150	\$24,582	\$103,949
\$104.56		\$75		\$179.56	\$29,426	\$124,434
\$302		\$75		\$377	\$61,783	\$261,259

⁴The match is subject to annual approval of the state's budget. College and university employees are not eligible to receive the match. ⁵Assumes 6% annual return.

Investment Options

1 TARGET DATE FUNDS

MO Deferred Comp has 13 target date funds, each containing a mix of stocks, bonds, and other investments. The funds **automatically rebalance** from higher levels of risk to more conservative as you move to - and through - retirement.



2 STABLE INCOME FUND

The stable income fund is a fixed-income, cash-like investment option for those with a *low tolerance for risk*. This option seeks to protect your principal balance and allows for steady growth over time without experiencing daily market fluctuations.

3 SELF-DIRECTED BROKERAGE ACCOUNT

This option is for hands-on-investors who prefer to build their own portfolio. Through your brokerage account, you will have access to most individual stocks and bonds, and more than 13,000 mutual funds. There is **no charge** to open an account. Restrictions do apply.



Saving with a percent-of-pay instead of a flat dollar amount can help you save more for retirement.

Withdrawing Your Money

WHILE EMPLOYED

You may **not** withdraw money from deferred comp while employed with the state, unless:

- You experience and meet the IRS criteria for an **Unforeseeable Emergency Withdrawal**.
- If your account balance is \$5,000 or less and you have not made a contribution for two years, you may take a one-time, in-service withdrawal.

AFTER LEAVING THE STATE

- You may take a full or partial withdrawal, setup reoccurring payments, or roll your balance to an IRA or another employer plan.
- The IRS requires you to begin taking **Required Minimum Distributions (RMDs)** from your tax-deferred accounts no later than April 1 following the year you turn 73. Beginning with RMDs due in 2024, Roth balances will be excluded from the RMD calculation. Roth was required to be part of the RMD calculation for RMDs due prior to Jan. 1, 2024.
- You will receive a payout from MO Deferred Comp, if your 457(b) account balance is less than \$1,000 and you have not made a contribution in two years OR if your 401(a) account is less than \$1,000.

TAX CONSEQUENCES & PENALTIES

- **You can withdraw your 457 contributory source funds, penalty free, after you leave the state.**
- All withdrawals from the plan will be subject to federal and state income taxes, with the exception of a rollover to another eligible retirement plan and excluding some Roth 457 contributions.
- Deferred comp will withhold 20% for federal tax purposes at the time of payment on all withdrawals that cannot be rolled over.
- Withdrawals made prior to age 59½ from your 401(a) state incentive account may be subject to a 10% early withdrawal penalty.



Need help? Visit modeferredcomp.org to schedule a short 30-minute meeting with your local financial education professional. Get answers to your retirement savings questions, review your account, learn about your investment options, and more.