

# Virginia Beach 457 Deferred Compensation Plan Features and Highlights

**Read these highlights to learn more about your Plan. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.**

## **About the 457(b) Deferred Compensation Plan**

A governmental 457(b) deferred compensation plan (457 plan) is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are subject to ordinary income tax.

## **Eligibility Requirements**

All current employees of the City of Virginia Beach and Virginia Beach City Public Schools are eligible to participate in the Plan.

To enroll in the Plan, employees must meet the following criteria:

- Be age 18 or older

Eligible employees may enroll the first day of each month.

The following employees are not eligible to participate in the Plan:

- non Law Enforcement employees hired after 1/1/2014 and participating in the Virginia Retirement System (VRS) Hybrid Program
- Employees in-service on December 31, 2013 who make a one time, irrevocable election to participate in the VRS Hybrid Program.

Please see your plan administrator for details or questions

## **Enrollment**

You may enroll by completing the enrollment and beneficiary forms and returning them to your Empower Retirement representative.

## **Contribution Limits**

### **Before Tax Contributions**

- Combined maximum limit of 100% (\$10 per pay period minimum) of your compensation or \$18,000, whichever is less for all retirement contributions.
- "Standard" Catch-Up allows participants in the three calendar years prior to normal retirement age to contribute more (up to double the annual contribution limit—

\$36,000). The amount that you may be able to contribute under the Standard Catch-Up option will depend upon the amounts that you were able to contribute in previous years but did not.

Participants turning age 50 or older in 2017 may contribute an additional \$6,000. Please note that you may not use the Standard Catch-Up provision and the Age 50+ Catch-Up provision in the same year.

## **Roth Contributions**

The Roth option will give you the flexibility to designate all or part of your 457(b) elective deferrals as Roth contributions.

All Roth contributions are made with after-tax dollars, as opposed to pre-tax dollars you may contribute to a traditional 457(b). In other words, with the Roth option, you've already paid taxes on the money you contribute. With the traditional 457(b), your contribution is made on a pre-tax basis and you pay taxes only when you take a distribution.

Generally, the maximum contribution amount then may be indexed for inflation in subsequent years.

## **Vesting Schedule**

Vesting refers to the percentage of your account you are entitled to receive upon the occurrence of distributable events. Your contributions and any earnings are always 100% vested (including rollovers from previous employers).

## **Investment Options<sup>1</sup>**

A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund sheets. Once you have enrolled, investment option information is also available through the Web site at [www.vb457.com](http://www.vb457.com) or call the Voice Response System toll free at **(800) 701-8255**. The Web site and the Voice Response System are available to you 24 hours a day, 7 days a week.<sup>2</sup>

## **Transfers and Allocation Changes**

Use your Personal Identification Number (PIN) and Username to access the Web site or you can use your Social Security number and PIN to access the Voice Response System. You can move all or a portion of your existing balances between investment options (subject to Plan rules) and change how your payroll contributions are invested.

## **Rollovers**

Only Plan administrator approved balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a)

plan or an Individual Retirement Account (IRA) may be rolled over to the Plan.

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.

### **Withdrawals**

Qualifying distribution events are as follows:

- Retirement
- Permanent disability (as defined by the Internal Revenue Code and your Plan's provisions)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Death (your beneficiary receives your benefits)
- Unforeseeable emergency (as defined by the Internal Revenue Code and if allowed by your Plan's provisions)
- Transfer to purchase service credit

Each distribution is subject to ordinary income tax except for an in-service transfer to purchase service credit. Distributions you receive prior to age 59½ from money sources other than governmental 457(b) money sources may be subject to the 10% early withdrawal federal tax penalty.

### **Plan Fees**

#### **Investment Option Fees:**

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading of securities within the investment options and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges. Asset allocation funds are generally subject to a fund operating expense at the fund level, as well as prorated fund operating expenses of each underlying fund in which they invest. For more information, please refer to the fund prospectus and/or disclosure document. Funds are subject to the risks of the underlying funds.

There may be a recordkeeping or administrative fee for investing in certain investment options. Please contact your Great-West Financial representative for more information about any potential investment option fees.

### **Empower Retirement Advisory Services**

Your Plan offers a service called Empower Retirement, provided by Advised Assets Group, LLC, a federally registered investment adviser. Advisory Services provides investment advisory tools and services based on the level of involvement you desire in managing your investments. You can choose as

much or as little help as you need. Based on the level of service you are looking for, there are different fees for each service.

For more detailed information about Advisory Services, including any applicable fees, visit your Plan's website at [www.vb457.com](http://www.vb457.com) or call the voice response system at (800) 701-8255 to speak to an AAG adviser representative.

There is no guarantee that participation in Empower Retirement will result in a profit or that your account will outperform a self-managed portfolio.

### **How Can I Get More Information?**

Visit the Web site at [www.vb457.com](http://www.vb457.com) or call the Voice Response System, toll free at (800) 701-8255 for more information. The Web site provides information regarding your Plan, as well as financial education information, financial calculators and other tools to help you manage your account.

1 All information contained on the website, in prospectuses, and in other investment option documents is offered in English. Please have this information translated for your understanding.

2 Access to voice response system 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 or voice response system 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.

#### **Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.**

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Representatives of Empower Retirement do not offer or provide investment, fiduciary, financial, legal or tax advice, or act in a fiduciary capacity, for any client unless explicitly described in writing. Please consult with your investment advisor, attorney and/or tax advisor as needed.

Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: NY, NY; and their subsidiaries and affiliates. The trademarks, logos, service marks, and design elements used are owned by their respective owners and are used by permission.

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