


Prepared for:
Harris County



**What would you
most like to do
when you retire?**

A retirement planning guide developed
in partnership with ACCG Retirement Services



Welcome to ACCG Retirement Services! We look forward to assisting you in reaching your financial goals with your retirement account through the ACCG Retirement Services participant website. You will be able to log into your account once the first contribution has been made.

You will be prompted to go through a series of required steps and will be asked to confirm the changes at the end of the set up. You will receive an email confirming the changes and an acknowledgment your account has been successfully set up.

Initial Account Setup is a series of required steps that participants must complete before accessing your account. To begin your account setup, please log into our secure participant website at www.ACCGRetirement.org. **Please be sure that you are using Google Chrome, Microsoft Edge, or Firefox.**

Access your Account



(Log in to your 401(a) and/or 457(b) account)

Your initial LOGIN ID is: your nine digit Social Security Number

Your initial PASSWORD is: your Date of Birth

The date of birth must be entered without spaces or dashes. The DOB should be an eight-digit entry using mmddyyyy.

Follow the prompts accordingly. If you have any questions regarding account access or require further information regarding your retirement account with ACCG Retirement Services, please contact us at ClientServices@accg.org or 1-800-736-7166.

Sincerely,

ACCG Retirement Services
Client Services

191 Peachtree Street
Suite 700
Atlanta, GA 30303
p 770.952.5225
t 800.736.7166
f 770.563.9356

ACCGretirement.org

Retirement Services.

401(a) Defined Contribution and 457(b) Deferred Compensation Plan Enrollment and Investment Authorization Form



You must complete and sign this form and return it to your ACCG Retirement Services Representative before you can participate in the 401(a) and/or 457(b) Plan.

General Information

Last Name	First Name	M.I.	Male / Female Gender
Harris County			
Social Security Number	Date of Birth	Date of Hire	Jurisdiction/ Employer
Home Address (Number and Street)	City	State	Zip Code
E-mail Address	Home Phone Number	Work Phone Number	

Contribution Allocation Information

If you choose to participate in the 401(a) and/or 457(b) Plan, you must defer a minimum of 1% of your compensation each payroll period.

I wish to defer the following percentage each payroll period as a 457(b) Plan pre-tax deferral: _____ %
(Whole % only)

I wish to defer the following percentage each payroll period as a Roth 457(b)* Plan deferral: _____ %
(Whole % only)

**The Roth 457(b) option may not be offered by your plan. Please confirm with your Employer to find out if this option is available.*

TOTAL: _____ %
(Whole % only)

Desired pay date for first pre-tax deferral: _____ / _____ / _____

(To be completed by your Representative)

Investment Elections

FUND SELECTION	ALLOCATION	FUND SELECTION	ALLOCATION
American Funds Target Date Retirement Series®		Core Index Funds / Stable Value	
<i>Target Date</i>		Schwab Int'l Idx (Sel) _____ %	
American Funds 2010	_____ %	Schwab S&P 500 Idx (Sel) _____ %	
American Funds 2015	_____ %	Federated Mid Cap Idx _____ %	
American Funds 2020	_____ %	Columbia Small Cap Idx (A) _____ %	
American Funds 2025	_____ %	Reliance Trust Stable Value _____ %	
American Funds 2030	_____ %	Vanguard Total Bond Market Idx _____ %	
American Funds 2035	_____ %	Single Asset Funds	
American Funds 2040	_____ %	American Funds New World (R3) _____ %	
American Funds 2045	_____ %	Amer Funds EuroPac (R3) _____ %	
American Funds 2050	_____ %	Schwab International Opportunities _____ %	
American Funds 2055	_____ %	BlackRock High Yield Bond (S) _____ %	
American Funds 2060	_____ %	Voya GNMA Income Fund (A) _____ %	
BlackRock Target Risk Retirement Series®		Cohen & Steers Real Estate Sec (A) _____ %	
<i>Target Risk</i>		MainStay Large Cap (R2) _____ %	
BlackRock 20/80 Target Alloc. Fund	_____ %	American Beacon Large Cap (Inv) _____ %	
BlackRock 40/60 Target Alloc. Fund	_____ %	MetWest Total Return Bond (M) _____ %	
BlackRock 60/40 Target Alloc. Fund	_____ %		
BlackRock 80/20 Target Alloc. Fund	_____ %		
Total Investment Election		_____ %	

NOTE: Whole percentages only; no fractions or decimals

(must equal 100%)

Disclosure and Required Signatures

My signature acknowledges that I wish to participate in the ACCG 401(a) Defined Contribution and/or 457(b) Deferred Compensation Plan and I authorize future payroll deductions. I acknowledge that if my enrollment form is incomplete, or it is not received prior to the receipt of any contributions, such contributions will be allocated to the default investment option of the Plan. I fully understand that my funds will remain in the default investment option until I make the changes to my future elections and current investments.

Participant Signature: _____

Date: ____/____/____

ACCG Representative Signature: _____

Date: ____/____/____

For ACCG use only: Date received: _____ Date entered: _____

Participant Beneficiary Form



Mark all that apply: 457(b) Plan 401(a) Plan Defined Benefit
(if not checked, form applies to all Plans)

PARTICIPANT NAME: _____ TEL/EMAIL: _____

SOCIAL SECURITY NO.: _____ EMPLOYER: _____

- If you are designating multiple beneficiaries, please be sure to mark "Primary" or "Contingent" for each.
- If you name more than one primary or contingent beneficiary, the "Percent to Beneficiary" for that category must equal 100%.
- The "Percent to Beneficiary" can be split up to two decimal points. (Example: 33.33%)
- Sign, witness, and date the form, certifying the information.
- If more space is needed, an additional sheet may be attached to this form.
- Defined Benefit Plan: The beneficiary(ies) designated on this form relates only to the receipt of lump sum or balance of period certain benefits payable.

Primary Beneficiary	
NAME: _____	M F SS#: _____ DATE OF BIRTH: _____
ADDRESS: _____	CITY: _____ STATE: _____ ZIP CODE: _____
RELATIONSHIP TO PARTICIPANT: _____	PERCENT TO BENEFICIARY: _____

PLEASE CHECK PRIMARY OR CONTINGENT FOR ALL ADDITIONAL BENEFICIARIES

<input type="checkbox"/> PRIMARY	M	<input type="checkbox"/> CONTINGENT
NAME: _____	F SS#: _____	DATE OF BIRTH: _____
ADDRESS: _____	CITY: _____	STATE: _____ ZIP CODE: _____
RELATIONSHIP TO PARTICIPANT: _____	PERCENT TO BENEFICIARY: _____	

<input type="checkbox"/> PRIMARY	M	<input type="checkbox"/> CONTINGENT
NAME: _____	F SS#: _____	DATE OF BIRTH: _____
ADDRESS: _____	CITY: _____	STATE: _____ ZIP CODE: _____
RELATIONSHIP TO PARTICIPANT: _____	PERCENT TO BENEFICIARY: _____	

<input type="checkbox"/> PRIMARY	M	<input checked="" type="checkbox"/> CONTINGENT
NAME: _____	F SS#: _____	DATE OF BIRTH: _____
ADDRESS: _____	CITY: _____	STATE: _____ ZIP CODE: _____
RELATIONSHIP TO PARTICIPANT: _____	PERCENT TO BENEFICIARY: _____	

<input type="checkbox"/> PRIMARY	M	<input type="checkbox"/> CONTINGENT
NAME: _____	F SS#: _____	DATE OF BIRTH: _____
ADDRESS: _____	CITY: _____	STATE: _____ ZIP CODE: _____
RELATIONSHIP TO PARTICIPANT: _____	PERCENT TO BENEFICIARY: _____	

You have the right to revoke or change any beneficiary designation.

The Trustee will pay all sums payable under the Plan by reason of my death to the primary beneficiary, if they survive me. If no primary beneficiary survives me, then the contingent beneficiary will be paid all sums payable under the Plan by reason of my death. If no named beneficiary survives me, my account will be distributed in accordance with the Plan document.

Signed: _____ Attended Virtual Enrollment Date: _____

Required Witness Signature: _____ Date: _____

Print Name of Witness: _____

(Witness must not be listed as a beneficiary)

Return completed forms to your employer for electronic submission through our secure website, or mail to:

ACCG Retirement Services
191 Peachtree Street NE
Suite 700
Atlanta, Georgia 30303



What would you most like to do when you retire?

401(a) Defined Contribution

Summary of Plan Provisions

What is a Defined Contribution Plan?

401(a) defined contribution plans, one of three primary types of retirement plans used by local governments, is a close “first cousin” to the more well known 401(k) retirement plans offered by many businesses. Used by some local governments for over 20 years, their popularity increased during the bull market of the late 1990’s and are now very popular primary retirement plans along with traditional defined benefit plans.

They are called “defined contribution” plans because the “contribution” into your individual account is set or “defined” by your employer. Contributions into your 401(a) plan are typically made by your employer. The “benefits” you receive during retirement will be based on the amount of contributions made to your account and the level of investment earnings while you maintain the account; no set or defined level of benefits is established by the employer. Depending on the provisions of your plan and your investment returns, defined contribution plans can often provide retirement benefits up to 35% of your final, pre-retirement earnings.

In conjunction with your 401(a) defined contribution plan, your employer may have also implemented a companion 457(b) deferred compensation plan. Deferred compensation plans allow an employee to “defer” some of their current pay into an individual investment account for use, with investment earnings, in the future. Often, your employer will increase its 401(a) plan contribution if you contribute to your 457(b) plan. Employers may require employees to make pre-tax contributions to the plan as a condition of employment. If you take advantage of your 457(b) plan and defer a reasonable amount each paycheck, you can often increase your retirement income by an amount up to 25% of your final, pre-retirement earnings. Participating in your 401(a) and 457(b) plans are the best way to build up assets for use during your retirement years. Because all of the earnings grow tax-deferred, they increase in value much faster than if you were required to pay federal and state income taxes each year on those investment returns.



401(a) Defined Contribution Plan Highlights

- Tax-deferred investment returns
- Diversified high quality investment options
- Participant directed investment selection
- Transferable to other plans after termination
- Benefits in addition to Social Security



Harris County 401(a) Defined Contribution Plan

When can I participate in the plan?

Full time eligible employees who work at least 36 hours a week become participants on the first pay period following the completion of six (6) months of service.

How much does Harris county contribute to this plan for me?

Harris County will contribute in two ways:

- 1) Harris County will make a base contribution to this plan equal to 2.25% of your Compensation to the plan.
- 2) Harris County will make a matching contribution equal to 50% of the of the first 4% on amounts you are contributing to the 457(b) deferred compensation plan as shown:

401(a) Employer Base Contribution	Your 457 Deferred Compensation Contribution	Harris County Employer Match Contribution
2.25%	0%	0.0%
2.25%	1%	.5%
2.25%	3%	1.5%
2.25%	5%	2.5%
2.25%	7% and so on	3.5%

Will I receive the county's contributions to the plan if I terminate employment?

If you have completed three (3) or more years of service when you terminate employment, you will receive 100% of the county's contributions to the plan. If you terminate with less than three (3) years of service, you will not receive any of the county's contributions.

You will automatically become 100% vested in your account balance at age 65, the normal retirement age under the plan.

Years of Service	Percentage
1	0%
2	0%
3	100%

When will I have access to the money in my account and what distribution options are available ?

You are eligible to receive the county's contributions to the plan when you terminate employment. The amount you receive is subject to the vesting schedule previously illustrated.

You may rollover your funds to another plan or an IRA; or you may elect a lump sum distribution, which is subject to 20% federal tax withholding. You may be subject to a tax penalty if the funds are withdrawn before age 59 1/2.

Is there a cost to enroll in the 401(a) plan?

There is no cost to enroll in the plan.

How will the contributions be invested?

You will receive a listing of investment options and will choose the options that will help you reach your retirement goals.

Can I rollover assets from another retirement plan into the Harris County plan?

Yes, you may rollover contributions from other eligible retirement plans while you are an active participant.

If I become disabled, when will I be eligible for a distribution?

You are eligible to receive 100% of the county's contribution to your account when you terminate employment.

If I die while an employee, how much will my beneficiary receive?

The county's contributions to your account become 100% vested and your beneficiary will receive a distribution equal to your account balance at the time of your death.

How do I name a beneficiary?

You will complete a designation of beneficiary form when you enroll in the plan. You can update your beneficiary at any time by contacting your plan representative, contact a Client Services Specialist, or by logging into your account at www.accgretirement.org.

Questions:

Contact ACCG Retirement Services
at
ClientServices@accg.org
or
(770) 952-5225 / (800) 736-7166



Regional Client Manager
Paul Bates
(678) 710-9663
pbates@accg.org

Frequently Asked Questions

Who Can I Contact if I Have Questions

On your ACCG Retirement Services quarterly statement, your local Regional Client Manager is listed with their phone number. If you want to contact the main office in Atlanta with questions other than investment guidance, please call ACCG Retirement Services Client Services at 800.736.7166.

What costs or fees am I charged for my account?

Your annual administrative fee amount will be capped once your account balance reaches \$25,000; you will incur no additional administrative fees on an annual basis, regardless of how much your balance grows. You can potentially save on investment fees from your other retirement accounts by rolling over your balances into your ACCG Retirement Services account. Each participant's plan expenses and fees are unique to them and it is based on the participant's aggregated account balance(s).

What investment options do I have?

ACCG Retirement Services has a line up of 19 tax-deferred investments to choose from including Target Date, Target Risk, Core Index, and Single Asset Options. The funds are diversified to help you decide what savings method is best for you.

Who selects and tracks the performance of investment options?

As part of the turnkey plan administration solution offered by ACCG Retirement Services, the ACCG Defined Contribution Board of Trustees (the "DC Board") assumes the fiduciary responsibility for the fund lineup it recommends to plan sponsors. The DC Board maintains an Investment Policy Statement which details the qualitative and quantitative criteria it uses to monitor and recommend the fund lineup. The DC Board meets quarterly to review the investment lineup and, as needed, adds, removes or replaces available investment options.

How do I access my account?

Account information can be accessed online at ACCGRetirement.org. You will need to use the log in information on the Welcome Letter provided along with this Summary. You can log in once the first contribution has been made. Once you have accessed your account online you can:

- view investment performance and balances
- change or realign investment elections and fund balances
- view and download quarterly statements
- change your address, email address and password

How often can I change investment choices, and is there a charge each time I change?

You can change investment choices or realign fund balances as often as you like. ACCG Retirement Services will not impose a charge. Some funds, however, may charge a redemption fee, so please review the information provided on-line. ACCG Retirement Services would encourage you to establish an asset allocation strategy and maintain it for a period of time.

Will I receive a quarterly benefit statement?

You will receive a comprehensive benefit statement as soon as possible after the close of each quarter. The statement shows your account balance, any contributions and earnings or losses credited to your account during the reporting period, and recent performance of each of the plan's investment options. A more detailed statement is available online. Notify ACCG Retirement Services when you change your address so you are sure to receive your statement.

ACCG Retirement Services is the retirement services division of ACCG, Georgia's county association. More than 150 jurisdictions and local government employees in Georgia trust their retirement services needs to ACCG Retirement Services.



ACCGRetirement.org
(770) 952-5225
(800) 736-7166

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What would you most like to do when you retire?

457(b) Deferred Compensation

Summary of Plan Provisions

What is a Deferred Compensation Plan?

457(b) deferred compensation plans are available to local, state, and federal government and tax exempt organizations. They are termed “deferred compensation” plans because they offer you the opportunity to “defer” or postpone some of your current compensation and receive it, with earnings, in the future. Each pay period, your employer deposits your selected amount of deferred compensation into your ACCG Retirement Services 457(b) account which is then invested in funds selected by you.

At separation from employment or retirement, your 457 (b) funds, plus earnings, are available to you. When used for retirement, the tax liability may be much less because your overall income may be lower than when you were working.

Local governments use these plans either as a primary or secondary type of retirement plan. When used as a primary retirement plan, employers sometimes make contributions to the plan to supplement employee deferrals. However, such plans are often established as a secondary plan used to supplement other types of plans, and virtually all of the contributions into the plan come from employee deferrals. There are more local government employees participating in a 457(b) plan than any other type of retirement plan.

Participating in your 457(b) deferred compensation plan is one of the best ways to build assets for use during your retirement years. Because all of the earnings grow tax-deferred, they increase in value much faster than if you were required to pay federal and state income taxes each year on those investment returns. Depending on whether your 457(b) plan is your primary or secondary plan, and in combination with your investment success, it can often provide retirement benefits up to 35% of your final, pre-retirement earnings.



457(b) Deferred Compensation Plan Highlights

- 100% Immediate account ownership
- Tax-deferred investment returns
- Diversified high quality investment options
- Participant directed investment selection
- Transferable to other plans after termination
- Benefits in addition to Social Security



457(b) Plan Provisions

Am I eligible to participate, and if so, when can I enroll?

Generally all full-time and part-time employees are eligible to participate in the Plan. You can enroll on the first pay period of any month under a 457(b) plan. Please be aware that once you complete the documentation necessary to begin participation, it may take several pay periods for your contribution to be deducted from your pay and invested in your desired investment choices.

Contact either your Regional Client Manager or your payroll department to confirm eligibility and get started in the plan.

How much can I contribute?

Regular Contributions

You can contribute 100% of your pay up to a maximum of \$20,500 in 2022. Future years may be adjusted for inflation.

Age 50 Catch-Up Contributions

In the year you become age 50 and for all years thereafter, you can increase your contribution by a specified amount over and above the regular contribution limit. In 2022, the amount is an additional \$6,500 maximum.

Three Year Catch-Up Contributions

If you are three years or less from retirement, you may be able to further increase your contributions by the three year catch-up contribution amount. This can only be used if you have not contributed the maximum amount in previous years. However, you cannot use it in combination with the age 50 catch-up contribution. Please contact your ACCG Retirement Services Regional Client Manager to help you determine if you are eligible to make a three year catch-up contribution and the maximum amount you may contribute.

Employer Contributions

Some employers have the 457(b) account as the employee's primary retirement account and make contributions into the account. Both the employer and employee contributions added together must not be more than the IRS limits for the year.

Contribution Example:

Susan Jones is 49 on January 1, 2021. She plans to retire at a normal retirement age of 65. She wants to put as much as possible into her 457(b) account until she retires.

How much can she put in annually?

In 2022, she can put in the maximum regular contribution of \$20,500. Ms. Jones will reach age 50 during 2022; therefore she would be eligible to begin making the age 50 catch-up contribution in addition to the Regular Contribution for a total of \$ 27,000 in 2022. In 2023 and later, she can contribute at least \$27,000 annually and may be more in future years if the IRS increases the limits to keep up with inflation. Three years before retirement, at age 62, Ms. Jones can determine if she is eligible for the three year catch-up contribution. Assuming she has contributed the maximum since age 48, she will have to look at her contributions prior to age 48 to determine if she had previously contributed the maximum allowable amount and to calculate the previously unused contribution amount.

How and when do I become vested in my account?

“Vesting” refers to your “ownership” of the funds in your 457(b) account. From the moment money goes into your account, you are 100% vested in both the contributions and investment earnings. This applies even to contributions your employer puts into your 457(b) account.

Can I get money out when I am still working?

Yes, but only under very limited circumstances such as a severe unforeseen financial emergency. Your 457(b) account is designed for your use after retirement. IRS sets guidelines for determining if you qualify for an unforeseen emergency distribution.

After I terminate employment, when can I withdraw money from my account?

With a 457(b) Plan, unlike many other retirement plans, you have complete access to all of your money without an “early withdrawal” penalty. While ACCG Retirement Services would strongly encourage you to keep your money in some type of retirement plan, you can withdraw your funds at any time after termination, for any reason. Please remember that if you withdraw your money, you will be required to pay federal and state income taxes on it. Any money you withdraw will have a mandatory 20% deducted for federal income taxes but this may not be enough to pay your actual taxes. You have the option of:

- leaving your money in the ACCG Retirement Services 457(b) Plan to continue to grow;
- withdrawing all of your money in one lump sum;
- transferring or “rolling” your money to an IRA or other eligible retirement plan;
- receiving regular withdrawals for either a specified amount or a specified period of time.

For a complete description of your withdrawal payment options, please contact your ACCG Retirement Services Regional Client Manager.

If I die and I have money in my account, what will happen to it?

Upon your death your account balance will be paid to your beneficiary (or beneficiaries if you specified more than one). We would strongly encourage any beneficiary entitled to receive money to contact your ACCG Retirement Services Regional Client Manager for a complete description of his or her options.

How are my account funds protected?

Your contributions and investment earnings are held in a trust at the Charles Schwab Bank exclusively for the benefit of all plan participants. Your employer cannot gain access to your funds and no creditors can gain access to your funds. All transactions are permanently recorded in ACCG Retirement Services recordkeeping system and can be recalled at any time for review or discussion with you.

For a copy of the Plan document, please contact your employers Human Resources Department

*Your account balance is subject to market fluctuations.

Frequently Asked Questions

Who Can I Contact if I Have Questions

On your ACCG Retirement Services quarterly statement, your local Regional Client Manager is listed with their phone number. If you want to contact the main office in Atlanta with questions other than investment guidance, please call ACCG Retirement Services Client Services at 800.736.7166.

What costs or fees am I charged for my account?

Your annual administrative fee amount will be capped once your account balance reaches \$25,000; you will incur no additional administrative fees on an annual basis, regardless of how much your balance grows. You can potentially save on investment fees from your other retirement accounts by rolling over your balances into your ACCG Retirement Services 457(b) account. Each participant's plan expenses and fees are unique to them and it is based on the participant's aggregated account balance(s).

What investment options do I have?

ACCG Retirement Services has a line up of 19 tax-deferred investments. Your employer may choose to include Target Date, Target Risk, Core Index, and Single Asset Options. The funds are diversified to help you decide what savings method is best for you.

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How often can I change investment choices, and is there a charge each time I change?

You can change investment choices or realign fund balances as often as you like. ACCG Retirement Services will not impose a charge. Some funds, however, may charge a redemption fee, so please review the information provided on-line. ACCG Retirement Services would encourage you to establish an asset allocation strategy and maintain it for a period of time.

Will I receive a quarterly benefit statement?


You will receive a comprehensive benefit statement as soon as possible after the close of each quarter. The statement shows your account balance, any contributions and earnings or losses credited to your account during the reporting period, and recent performance of each of the plan's investment options. A more detailed statement is available online. Notify ACCG Retirement Services when you change your address so you are sure to receive your statement.

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ACCGRetirement.org
(770) 952-5225
(800) 736-7166

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What would you most like to do when you retire?

Roth 457 Deferred Compensation

Summary of Plan Provisions

What is a Roth Contribution Account under a 457 Deferred Compensation Plan?

A Roth Contribution Account under a 457 Deferred Compensation Plan holds after-tax contribution plus earnings in an account for you under the Plan. It allows you to make after-tax contributions to the 457 Plan and under certain circumstances, to receive the accumulated earnings tax-free.

Deciding if you should designate any of your 457 Plan contributions as Roth 457 contributions can be complicated since many factors are involved. One of the primary factors in making this decision may be the difference in your income tax rate today versus what will apply at your retirement. In most cases, your tax bracket is lower when retired than when you are working. If your tax rate will be lower at retirement, pre-tax deferrals may be advantageous because you would be saving taxes at a high rate and paying them back at a low rate. However, tax rates can and do change. Your personal financial situation may also change, resulting in higher income and tax rates at retirement.

Other important factors to consider are the anticipated rates of return for your accounts and the expected number of years of compounding until you will begin receiving distributions. The higher the rate of return and the longer you have until retirement, the more attractive a Roth 457 contribution could be. You could be paying a relatively small tax cost today to forgo paying taxes on a larger balance in the future. Conversely, if you are close to retirement, assuming low rates of return, in a high tax bracket and expect to be in a lower tax bracket at retirement, Roth 457 contributions may be less attractive. It is important that you consult with your tax advisor to determine the effect making Roth 457 contributions would have on your tax situation .



Roth 457 Plan Provisions

Frequently Asked Questions

How much can I contribute to my Roth 457 account?

Roth 457 contributions, combined with pre-tax 457 contributions, can be made up to 457 IRS Plan limits. Participants choose how to allocate their contributions in whole percentages between pre-tax 457 and Roth 457 contributions. For example, a participant could split a 15% total 457 contribution by putting 9% in pre-tax and designating 6% as Roth. Participants may change how they split their 457 contributions at any time, but once a 457 contribution is made, it cannot be re-classified.

2022 457(b) Plan Contribution Limits	
Regular Deferrals	\$20,500
Age 50 And Over (\$6,500)	\$27,000
Retirement Catch-Up	Up to \$41,000

Are Roth 457 contributions eligible for my 401(a) plan match?

Yes, Roth 457 contributions are eligible for determining the amount of the matching 401(a) Plan contributions based on the decision made by your employer.

How are Roth 457 contributions shown in my account?

Roth contributions are held in a separate subaccount within your ACCG Retirement Services retirement account, as required by law. Although separately recorded, they will be included in your Quarterly statements and in all the summaries and totals. There are no additional Plan fees related to the creation of the Roth subaccount.

How are my Roth 457 contributions invested?

You will have the ability to elect investments and realign balances for your Roth 457 subaccount that can be different than your pre-tax 457 subaccount. If, however, you do not make different investment elections for your Roth 457 subaccount, your investment elections currently being used for your pre-tax 457 contributions and balances will also apply to your Roth 457 contributions and balances.

Comparison of Roth contributions vs pre-tax contributions

Roth 457 contributions are deducted from your pay on an after-tax basis while regular pre-tax 457 contributions are deducted from your pay on a pre-tax basis. That is, your pre-tax 457 contributions are not considered taxable income for the purposes of federal and Georgia State income taxes for the year the contributions are made while Roth 457 contributions are subject to federal and Georgia State income taxes for the year the contributions were made.

Earnings from both the Roth 457 subaccount and the pre-tax 457 subaccount accumulate tax deferred, but when a Roth 457 distribution is **qualified**, it is not subject to federal or Georgia State income taxes while all pre-tax 457 distributions are subject to federal and Georgia State income taxes for the year in which the distribution is made. The availability of income tax-free distributions is what makes the Roth 457 feature attractive. The primary disadvantage of Roth 457 contributions is that they do not reduce current income taxes.

What is a *Qualified* distribution?

When a Roth 457 distribution is available, it must meet two requirements to be considered **qualified**. The first is that the distribution must be made after attainment of age 59½, death or disability. The second is that your first Roth 457 contribution must have been made to the Plan at least five years before the distribution. The qualifying period starts at the beginning of the year the first Roth 457 contribution is made and is met on the fifth anniversary of that date. For example, a participant made his or her first Roth 457 contribution on September 15, 2022. The first tax year would start on January 1, 2022. The five-year requirement would be met on January 1, 2027.

If the distribution is **not qualified**, the portion attributed to the **Roth 457 contributions** is not subject to applicable income taxes since it was already taxed when it was made. The **earnings** portion of the distribution would be taxable on a pro-rata basis. For example, if 25% of the Roth account value was due to **earnings**, 25% of any distribution would be considered taxable.

Rules regarding distributions

Roth 457 contributions and pre-tax 457 contributions are subject to the same Plan distribution rules requiring termination of employment. Required Minimum Distributions (RMDs) apply to both pre-tax and Roth subaccounts but the participant may choose to take the distributions from either or both sources. **Unforeseen Emergency withdrawals, however, are not allowed to be withdrawn from your Roth 457 subaccount.**

Comparison of Roth 457 contributions vs Roth IRA's

Advantages of Roth 457 Contributions

You can contribute much more to the 457 Plan than to a Roth IRA and your eligibility to contribute to your Roth 457 account is not limited by your income or your tax-filing status, as it may be with a Roth IRA. Roth distributions from the 457 Plan are not subject to the 10% early distribution penalty tax whereas distributions from Roth IRAs may be subject to the penalty tax. The 457 Plan also provides low-cost investment options and low administrative fees compared to many IRA products. Finally, contributing to the 457 Plan is convenient and easy through payroll deduction.

Disadvantages of Roth 457 Contributions

Roth IRAs do not restrict when you can take distributions whereas Roth balances in the 457 Plan are subject to the Plan's distribution rules. Nonqualified distributions from Roth IRAs are received from tax-free basis first. Nonqualified distributions from the 457 Plan are taxed on a less favorable pro-rata (or proportional) basis. Roth 457 balances are subject to lifetime RMD rules whereas Roth IRA balances are not. Roth IRA investment options can be very broad and are not limited to the Plan's investment options, but are usually available only through retail pricing.

Who is the beneficiary of my Roth account?

The beneficiary designation on file with ACCG Retirement Services or your employer also applies to the Roth 457 subaccount. Separate designations for the Roth 457 subaccount and the pre-tax subaccount are not allowed under the Plan. Distributions to beneficiaries retain the same income tax treatment as if the participant had received the distribution. The five-year holding requirement applies for a Roth 457 distribution to be considered qualified even in the case of death.

ACCG nor its ACCG Retirement Services representatives may offer tax or legal advice. You may want to consult with your own counsel before making any decisions about contributing to the new Roth 457 option.

Information provided by ACCG is for educational purposes only and is not intended as investment advice.

Frequently Asked Questions

Who Can I Contact if I Have Questions

On your ACCG Retirement Services quarterly statement, your local Regional Client Manager is listed with their phone number. If you want to contact the main office in Atlanta with questions other than investment guidance, please call ACCG Retirement Services Client Services at 800.736.7166.

What costs or fees am I charged for my account?

Your annual administrative fee amount will be capped once your account balance reaches \$25,000; you will incur no additional administrative fees on an annual basis, regardless of how much your balance grows. You can potentially save on investment fees from your other retirement accounts by rolling over your balances into your ACCG Retirement Services 457(b) account. Each participant's plan expenses and fees are unique to them and it is based on the participant's aggregated account balance(s).

What investment options do I have?

ACCG Retirement Services has a line up of 19 tax-deferred investments. Your employer may choose to include Target Date, Target Risk, Core Index, and Single Asset Options. The funds are diversified to help you decide what savings method is best for you.

Who selects and tracks the performance of investment options?

As part of the turnkey plan administration solution offered by ACCG Retirement Services, the ACCG Defined Contribution Board of Trustees (the "DC Board") assumes the fiduciary responsibility for the fund lineup it recommends to plan sponsors. The DC Board maintains an Investment Policy Statement which details the qualitative and quantitative criteria it uses to monitor and recommend the fund lineup. The DC Board meets quarterly to review the investment lineup and, as needed, adds, removes or replaces available investment options.

How do I access my account?

Account information can be accessed online at ACCGRetirement.org. You will need to use the log in information on the Welcome Letter provided along with this Summary. You can log in once the first contribution has been made. Once you have accessed your account online you can:

- view investment performance and balances
- change or realign investment elections and fund balances
- view and download quarterly statements
- change your address, email address and password

How often can I change investment choices, and is there a charge each time I change?

You can change investment choices or realign fund balances as often as you like. ACCG Retirement Services will not impose a charge. Some funds, however, may charge a redemption fee, so please review the information provided on-line. ACCG Retirement Services would encourage you to establish an asset allocation strategy and maintain it for a period of time.

Will I receive a quarterly benefit statement?

You will receive a comprehensive benefit statement as soon as possible after the close of each quarter. The statement shows your account balance, any contributions and earnings or losses credited to your account during the reporting period, and recent performance of each of the plan's investment options. A more detailed statement is available online. Notify ACCG Retirement Services when you change your address so you are sure to receive your statement.

ACCG Retirement Services is the retirement services division of ACCG, Georgia's county association. More than 150 jurisdictions and local government employees in Georgia trust their retirement services needs to ACCG Retirement Services.



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