

Traditional Deferred Compensation Contribution (Pre-Tax)

	Nationwide Retirement Solutions	VALIC Retirement Services Company
Purpose	The County of Riverside provides a Deferred Compensation Plan to attract and retain qualified personnel by providing a retirement savings program. Employees may choose to contribute to Deferred Compensation Plans through Nationwide Retirement Solutions and/or VALIC Retirement Services Company. Your decision to begin benefits from either of these plans is separate from your decision for CalPERS.	
Tax Benefits and Consequences	<ul style="list-style-type: none"> • Contributions from your income earnings are <i>not</i> subject to state and federal income taxes, however, your Social Security and Medicare (FICA) taxes are not waived • Your Deferred Compensation account balance (e.g. contributions and investment earnings) is tax deferred until a distribution is received. • Distributions are only subject to federal and state taxes • Distributions are not subject to an early withdrawal penalty (exception: contributions rolled over from another retirement plan that were subject to a 10% early distribution penalty remain subject to the early retirement distribution penalty tax) 	
Minimum Contribution	\$10 per pay period or \$20 per month.	There is no minimum contribution.
Annual Contribution Limit	Contribution limits: 2016: \$18,000 or your taxable earnings, whichever is less. 2017: \$18,000 or your taxable earnings, whichever is less.	
Contribution “Catch-Up” Options	Participants who did not reach the Deferred Compensation (457) annual contribution limit for any year, may “Catch-Up” some or all of these missed or “under-utilized” contributions prior to retirement. There are two ways to Catch-Up “under-utilized” contributions; either the general Catch-Up option or the special Catch-Up option. Participants are encouraged to use whichever option below that best suits their individual needs: 50+ Catch-Up Participants age 50 and older may contribute the annual contribution limit PLUS an additional elective deferral of: <ul style="list-style-type: none"> • \$6,000 in 2016 • \$6,000 in 2017 	

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Contribution “Catch-Up” Options (Continued)	<p>General Catch-Up or Standard Catch-Up</p> <p>General Catch-Up allows Participants to contribute during each of the last (3) years of employment the <i>lesser of</i>:</p> <ul style="list-style-type: none"> • Twice the annual deferral dollar limit; or • The “under-utilized” limit, which is the sum of: <ul style="list-style-type: none"> – the maximum deferral limit for the current tax year; – plus the maximum deferral limit for any prior tax years; – less the amount of annual deferrals made for such prior tax years. 	
Important to Consider Before Beginning or Stopping a “Catch-Up” Contribution	<ul style="list-style-type: none"> • General Catch-Up may be elected only once • You cannot elect to participate in General and Special (50+) Catch-Up concurrently. • General Catch-Up may begin anytime in the three years <i>prior</i> to the year of your retirement. • General Catch-Up contributions may not be contributed in the calendar year of your actual retirement date. • The 3-year period for Catch-Up cannot be extended, if for some reason you stop or decrease your contributions. 	
Changing a Deferral Amount	<p>Changes in the amount of compensation deferred each pay period can be made at any time. Changes in Catch-Up deferrals can also be made at any time as long as Catch-Up limitations are not exceeded. Call your VALIC Retirement or Nationwide Financial Advisor to obtain a form. Forms are also available on the Benefits website at http://benefits.rc-hr.com.</p>	
Changing a Beneficiary	<p>A Participant may change the designated beneficiary at any time by giving written notice to your VALIC Retirement or Nationwide Financial Advisor.</p>	
Address Changes	<p>If you are an active employee contact your Human Resources Representative. Post employment and retirees should contact your VALIC Retirement or Nationwide Financial Advisor.</p>	

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Fees	<p>Administrative Fee: None</p> <p>Investment Fund Fee:</p> <p>Management fees are outlined in the fund prospectus. These fees are typically “invisible” to the investor. The full return (or loss) minus the investment fund fees are reported to you as the net earning or loss amount.</p>	
Limits to Changes in Fund Allocations	<p>For Nationwide Retirement Solutions: Effective November 15, 2004, a participant is permitted 20 trade events per calendar year.</p> <p>For VALIC Retirement: There are currently no limits to the number of trades per calendar year.</p> <p>A trade event is defined as any trade or combination of trades occurring on a given valuation day.</p>	
Statement	A quarterly statement will be sent to your home mailing address.	
Loans	Loans are currently available, for additional information please contact Nationwide Retirement Solutions at (877) 677-3678 or VALIC Retirement at (888) 568-2542.	
Emergency Withdrawals	<p>An emergency withdrawal is permitted if the reason for the withdrawal falls within Section 457 guidelines. Section 457 guidelines require a participant to seek hardship relief prior to requesting an emergency withdrawal. Relief must be sought from all other sources, including insurance reimbursement, cessation of deferrals under this Plan, or liquidation of other assets, to the extent that liquidation of such assets would not itself cause severe financial hardship.</p> <p>The emergency request must be due to an event that is <i>unforeseeable</i> due to:</p> <ul style="list-style-type: none"> • A sudden and unexpected illness or accident of the Participant or a Participant’s dependent • Imminent foreclosure of or eviction from the Participant’s primary residence • Payment of medical expenses – including non-refundable deductibles – as well as prescription drug medication; and • The need to pay for the funeral expenses of a family member <p>Generally, the purchase of a home and the payment of college tuition are <i>not</i> unforeseeable emergencies. The unforeseeable event may occur either before or after severance of employment or the commencement of retirement benefits.</p>	

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<p>Emergency Withdrawals <i>Continued</i></p>	<p>In the event of an unforeseeable emergency, a Participant may apply to your VALIC Retirement or Nationwide Financial Advisor to receive only the portion of the account value, which is reasonably needed to satisfy the emergency need.</p> <ul style="list-style-type: none"> • Distributions are subject to federal and state taxes • Distributions are not subject to an early withdrawal penalty (exception: contributions rolled over from another retirement plan that were subject to a 10% early distribution penalty remain subject to the early retirement distribution penalty tax) <p>There are no participation limitations when taking an emergency withdrawal; active employees can continue to defer contributions without a penalty waiting period.</p>	
<p>Domestic Relations Orders</p>	<p>To the extent required under a final judgment, decree, or court order, made pursuant to a state domestic relations law, any portion of a Participant's account may be paid or set aside for payment to a spouse, former spouse, or child of the Participant. When the Plan receives a judgment, decree, or order, your VALIC Retirement or Nationwide Financial Advisor will promptly notify the Participant and the Alternate Payee of receipt of the order.</p> <p>Any amount set aside for an alternate payee will be eligible for distribution at the time the alternate payee's account is established, unless the court order directs an earlier time.</p> <p>If the alternate payee is:</p> <ul style="list-style-type: none"> • An ex-spouse, then the ex-spouse is responsible for paying the taxes on his/her portion of the account. • Not an ex-spouse i.e., a child, then the participant is responsible for paying the taxes on the distribution. 	

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Distributions	<p>Participants may begin a distribution from their account 30 days after termination or retirement. The Plan Administrator signature is required for distributions or rollovers. Forms can be obtained by calling Nationwide Retirement Solutions at (877) 677-3678 or VALIC Retirement (888) 568-2542.</p> <p>Participants must begin distributions before the later of:</p> <ul style="list-style-type: none">• April 1st following the calendar year the participant attains age 70½; or• April 1st following the calendar year in which the participant separates from county service. This is the mandatory commencement date.	
Rollovers	<p>This Plan will accept rollovers and transfers from other eligible deferred compensation plans including 401(k), 403(b), 457, and IRA's.</p> <p>A direct rollover is the direct payment of the distribution from a qualified plan or tax-sheltered annuity to a traditional IRA or other eligible retirement plan. A direct rollover may be made for the employee, for the employee's surviving spouse, or for the spouse or former spouse who is an alternate payee under a domestic relations order (DRO).</p> <p>The Participant may elect to have any portion of the amount payable transferred to another eligible deferred compensation plan. For example, if you become ineligible to participate in the Plan and your account balance is less than \$5,000, in lieu of a taxable distribution, you may elect to roll the account into another eligible retirement plan, such as a 401(k), 403(b), 457 or personal IRA. This transfer would not be subject to taxes.</p> <p>Plan distributions that are paid to the Participant or spousal beneficiary are subject to a 20% mandatory (federal tax) withholding requirement if the payment is eligible for rollover. However, to avoid the mandatory withholding, the Participant or spousal beneficiary may transact an indirect rollover. An indirect rollover transaction occurs when a Plan distribution is issued directly to a Participant or spousal beneficiary as opposed to the new Plan provider. If the Participant can provide proof that a personal check was written to the new Plan provider within sixty (60) days of the date on the distribution, the incoming rollover will be accepted.</p>	

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Death of Participant	<p>A beneficiary's distribution option depends upon relationship to the Participant, date the form is received in the office, deceased Participant's age, and whether or not the deceased Participant was receiving a distribution prior to the date of death.</p> <p>Spousal beneficiaries:</p> <p>Distribution must begin by December 31st of the calendar year in which the Participant would have attained age 70½. The entire account must be paid over a period not extending beyond the life expectancy of the spousal beneficiary.</p> <p>Non-spousal beneficiaries:</p> <p>Distribution must begin by December 31st of the calendar year following the Participant's death, and the entire account balance must be paid over a period not extending the life expectancy of the non-spousal beneficiary.</p> <p>If the beneficiaries do not begin payments by the dates above, the Five-Year Rule applies.</p> <p>Spousal beneficiary death prior to distribution commencement:</p> <p>If the surviving spouse dies after the participant but before distributions have begun and paperwork has been filed with your Nationwide or VALIC Retirement Financial Advisor, benefits to the beneficiary of the spouse must be paid according to the remaining life expectancy of the spousal beneficiary, using the distribution options available to a non-spousal beneficiary. (Refer to Non-Spousal beneficiary options on the chart below). If an RMD payment was due to the deceased Participant, the beneficiary of the spouse must receive this payment.</p> <p>Five-Year Payment Rule:</p> <p>The entire account balance must be distributed by the end of the calendar year that contains the fifth anniversary of the Participant's death.</p>	

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Payment Options for Beneficiaries After Death of Participant Include:

Beneficiary Type	Future Payout Election Date	Lump Sum	Partial Lump Sum & Periodic Payment	Periodic Payment	Purchased Annuity	Rollover	Five Year Rule
Spousal Beneficiary	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Non-Spousal Beneficiary	Yes	Yes	Yes	Yes	Yes	No	Yes
Trust	No	Yes	No	No	No	No	Yes
Charity	No	Yes	No	No	No	No	Yes
Estate	No	Yes	Yes	Yes	No	No	Yes

ROTH Deferred Compensation Contribution (After-Tax)

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Subject to 457(b) limitation	Yes	Yes. Roth 457(b) contributions are aggregated with pre-tax contributions for a total of one 457(e) limit per participant.
Subject to 415 annual addition limit	No	No
Taxable upon contribution	No	Yes
Earnings taxable on distribution	Yes	No, if qualified distribution.
Contributions taxable on distribution	Yes	No
Subject to income limitation (ability to defer)	No	No. Different from Roth IRAs where the ability to defer is limited by the employee's income.
Eligible for rollover to non-Roth eligible retirement plan or traditional IRA	Yes	No

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Eligible for direct rollover to Roth IRA or other Roth accounts	Yes	Yes
Subject to Required Minimum Distributions (RMD)	Yes	Yes. Participant can avoid a RMD from the Roth account by rolling it over to a Roth IRA before age 70½, which has no RMD requirement during the participant's lifetime.
Subject to distribution restrictions (severance, hardship, death, disability, and plan termination)	Yes	Yes
Distributions of excess contributions taxable	Yes	Yes. Earnings only.
Non-forfeitable	Yes	Yes
Available for loans	Yes	Yes
Subject to separate accounting provisions	Yes	Yes
Eligible for participant direction	Yes	Yes
Eligible for Catch-up contributions	Yes	Yes
Included in account balance for cash-out purposes	Yes	Yes
Subject to Qualified Domestic Relations Order (QDRO)	Yes	Yes

Financial Advisor Contact Information

	Nationwide Retirement Solutions	VALIC Retirement Services Company
Financial Advisor Contact Information	Nationwide Retirement Solutions One Nationwide Plaza Columbus, OH 43216 Member Services: (800) 545-4730 Website: www.RiversideCountyDC.com	VALIC Retirement Services Company Document Control P.O. BOX 15648 Amarillo, TX 79105-5648 Member Services: (888) 568-2542 Website: https://my.valic.com/online/

For more detailed information, please schedule a meeting with a Financial Advisor listed below. The Financial Advisor will assist you with account setup, plan enrollment, understanding your funding options, and investment advice to meet your financial goals.

Nationwide Retirement Solutions

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VALIC Retirement Services Company

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