



SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) 457 DEFERRED COMPENSATION PLAN

VTA offers its employees a 457 Deferred Compensation Plan through ICMA-RC, a non-profit independent financial services organization focused on providing retirement plans and related services to public sector employees.

VTA's 457 plan can help you save and invest in your future with tax advantages. You may elect to make pre-tax contributions which means you pay less taxes each pay period by deferring money from your salary to your 457 plan. The amount you defer is not taxed until you receive it so your earnings accumulate tax-deferred. You may also elect to make Roth contributions which are made on an after-tax basis. While Roth contributions do not reduce your taxable income for the current year, the contributions and associated earnings can be withdrawn tax free if you meet certain criteria. Contributions can be made on both a pre-tax and post-tax (Roth) basis but the combined contributions cannot exceed the annual maximum IRS contribution limit of \$18,000 in 2016. If you are least age 50, you can make additional pre-tax or post-tax (Roth) contributions up to a maximum of \$6,000 in 2016 under the 'Age-50 Catch-up' provision.

To simplify your finances and consolidate your accounts, you may also transfer or rollover other eligible retirement accounts to your 457 plan.

VTA's 457 plan includes a variety of investment options including mutual funds, index funds, stable value funds, and target-date funds.

In addition, VTA's 457 plan offers:

- Mobile app services
- An interactive internet website at www.icmarc.org/vta 24-hour personal online access to your account, including fund transfers and account statements on-demand
- On-site educational seminars and individual meetings with an ICMA-RC Retirement Specialist
- A detailed quarterly investment newsletter
- The availability of loans of up to 50% of your funds (minimum of \$1,000 and maximum of \$50,000) for the purchase a principal residence, paying college tuition and fees, or for unreimbursed medical expenses
- A self-directed brokerage option

Because VTA is a public sector employer, the rules for the 457 plan are slightly different than those for 401(k) private sector plans. One of the key benefits of a 457 plan is that you can choose to receive your deferred compensation funds when you separate from employment without paying a tax penalty, even if you are not yet age 59 ½.

If you have any questions or would like additional information, please contact Sue Cabrera, Human Resources Analyst – Deferred Compensation at (408) 321-5570 or Susan Chang, ICMA-RC's Retirement Specialist at (866) 620-6064 or via email at: schang@icmarc.org.