

# DEFERRED COMPENSATION RETIREMENT PLAN

Administered by Nationwide

The Deferred Compensation program can help you save for retirement. Don't wait until you are approaching retirement; start now and enjoy immediate tax savings. Contributions accumulate with interest, earnings and investment gains or losses. Even if you are only investing a small amount each pay period, it will add up over time. Enroll now and start saving.

<b>Minimum payroll deduction to start account</b>	\$10 per pay period
<b>Contribution limits if you are under age 50</b>	\$23,000 for 2024* (may be increased by IRS for 2025)
<b>Contribution limits if you are over age 50</b>	Additional "catch-up" contribution of \$7,500 permitted, for a total of \$30,500 in 2024* (may be increased by IRS for 2025)
<b>Taxation of Contributions</b>	Income taxes on before-tax contributions are deferred until your account is distributed. Roth contributions are made on an after-tax basis. However, earnings on Roth contributions may be distributed tax-free in retirement, if you meet certain requirements (see Taxation of Distribution below)
<b>Age at which you must begin taking distributions</b>	April 1st of the year following the year when you attain 73 or end employment with the City of Chicago, whichever is later
<b>Penalty for early withdrawals</b>	<p>There are no early withdrawal tax penalties when withdrawing 457(b) funds; however, you must either sever employment or qualify under one of the access funds options below to be eligible to take a withdrawal from your account.</p> <p>Funds rolled over from an IRA or qualified retirement plan may be accessed at any time, but may be subject to early withdrawal penalty if withdrawn prior to 59 ½</p>
<b>Accessing funds while still employed</b>	<p>You may access your funds if you:</p> <ul style="list-style-type: none"><li>• Attain age 59 ½</li><li>• Have \$5,000 or less in your account, have not contributed to the plan in at least two years and have never taken a withdrawal of this type before</li><li>• Take a plan loan</li><li>• Request an unforeseeable emergency withdrawal (requires approval according to IRS guidelines)</li><li>• Request up to \$5,000 within 12 months of a qualified birth or adoption</li></ul>

\*These numbers are subject to change annually

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This is a summary of benefits offered to City Employees (excluding Sworn Police Officers below the rank of Sergeant). The City of Chicago Group Health Plan(s), Amendments, and subsequent updates supersede this summary.

## DEFERRED COMPENSATION RETIREMENT PLAN (CONTINUED)

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<b>Taxation of Distributions</b>	<p>Distributions from pre-tax contributions are subject to income tax unless rolled over to an IRA or a qualified retirement plan. Not all distributions are eligible for rollover.</p> <p>Distributions of Roth contributed funds and earnings are deemed “qualified” and free from federal income tax if the following have been met:</p> <ol style="list-style-type: none"><li>1) Five calendar years have passed after making your first Roth contribution before taking a withdrawal <b>AND</b></li><li>2) Reached age 59 ½ or older; or are disabled or died and beneficiary becomes disabled</li></ol> <p>If your Roth withdrawal does not meet these qualifications, your accumulated Roth earnings, but not your Roth contributions, will be taxed</p>
<b>Matching Contribution</b>	<p>Some Collective Bargaining Agreements provide for employee matching contributions into a 401(a) Match Plan. See your collective bargaining agreement for details</p>

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# Build a more secure retirement by supplementing your pension



## CHICAGO DEFERRED COMPENSATION PLAN OVERVIEW

### Key reasons to consider your Chicago Deferred Compensation Plan:

**Tax Flexibility** — Tax-deferred and Roth after-tax contributions

**Easy** — Payroll deduction means your contributions are automatic

**Flexible** — Change your investment mix or contribution amount at any time

**Access** — You can withdraw 457(b) assets when you leave service or retire, regardless of your age

**Low Cost** — Through group buying, we negotiate lower fund fees than individuals may be able to get on their own

**Portability** — If you leave your job, you may be able to roll your assets into another eligible retirement plan or IRA

**Automatic** — Earnings are reinvested, harnessing the power of compounding



### Enroll today!

[chicagodeferredcomp.com](http://chicagodeferredcomp.com)

855-457-2489

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### Retirement specialists

Scan the QR code to schedule an individual consultation with your local Retirement Specialists dedicated to the Chicago Deferred Compensation Plan.



### Educational workshops

We provide a regular monthly series of virtual workshops. The content focuses on features and options relevant to the Chicago Deferred Compensation Plan. Scan the QR code to register.



### Investing approaches

You have 3 approaches available in retirement: Do it myself, Help me do it and Do it for me. To learn more, scan the QR code to view your investment options.



### My Retirement by Nationwide<sup>SM</sup> app

Access your retirement account from nearly anywhere. Download My Retirement from your device on the App Store or Google Play. Keep your retirement plans on track with 24/7 access to your account.



### Account consolidation

Manage all your retirement assets in your account: one statement, one required minimum distribution and one contact for easier account management. Contact us to learn how.



### Robust website

Chicagodeferredcomp.com provides online education and tools, investment information and account access in a simple, easy-to-navigate site. This includes access to robust planning tools such as My Interactive Retirement Planner<sup>SM</sup> and My Investment Planner<sup>SM</sup>.

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Investing involves market risk, including possible loss of principal. No investment strategy or program can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment and market experience.

Qualified retirement plans, deferred compensation plans and individual retirement accounts are all different, including fees and when you can access funds. Assets rolled over from your account(s) may be subject to surrender charges, other fees and/or an additional 10% early withdrawal tax if withdrawn before age 59½. Nationwide and its representatives do not give legal or tax advice. Please contact your legal or tax advisor for such advice.

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