

Retirement Distribution Options

County of Orange
Defined Contribution Program



Take Advantage of All County of Orange Defined Contribution Program Benefits

- Contribution limits
 - Up to \$22,500 in 2023
- Catch-up opportunities
- Roll over other retirement accounts - As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers.
- Tools to help you manage your account



Take Advantage of All County of Orange Defined Contribution Program Benefits

- Roll over other retirement accounts (if applicable)¹
- Tools to help you manage your account



¹ Funds rolled into a governmental 457 plan from another type of plan or account may still be subject to the 10% early withdrawal penalty if taken before age 59½.



Important Decisions

- When do I start taking my distributions¹?
 - When I retire?
 - At a later date?
- Which distribution option will best meet my retirement needs?
- Withdrawals taken prior to reaching age 59½ may be subject to a 10% federal tax penalty.²

1 Withdrawals may be subject to ordinary income tax.

2 The 10% early withdrawal penalty does not apply to certain 457 plan withdrawals.

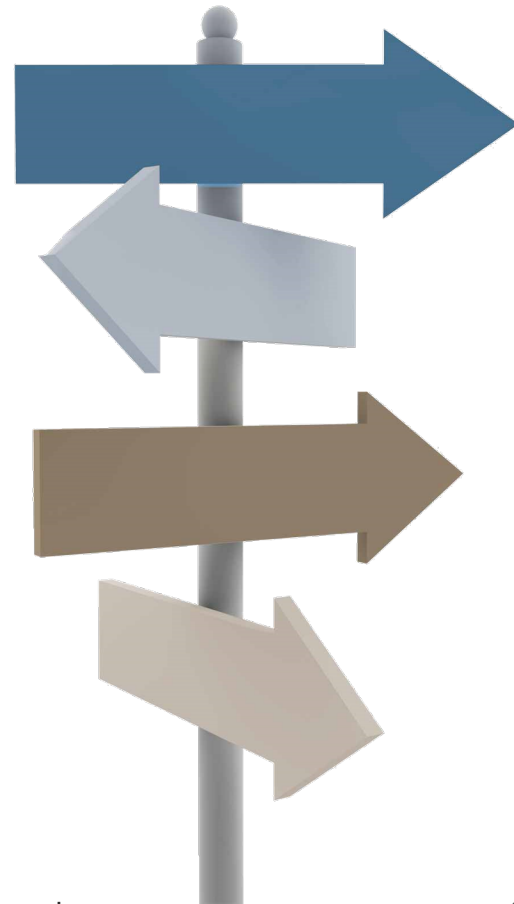


Distribution Options

- Lump-sum distribution
 - Cash
 - Roll over to another eligible plan, an IRA¹ or purchase an annuity²
 - Partial lump-sum distribution, then stream of payments
- Periodic payments
- Combination of these options

1 If you roll over any governmental 457 dollars to another type of plan or account, the withdrawals made prior to you reaching age 59½ may be subject to a 10% federal early withdrawal penalty upon distribution from the non-457 account.

2. Any guarantees are subject to the terms and conditions of the contract and the claims-paying ability of the annuity issuer.



Lump-Sum Distribution

- Mandatory 20% deducted for federal income tax
- May owe more, depending on tax bracket
- Investments and any earnings are no longer tax-deferred
- Money is available immediately (less taxes and any applicable penalties)



Partial Lump-Sum Distribution

- Take portion of balance as distribution
- Single check
- Only the amount withdrawn is taxable that year



Periodic Payments

- Equal amounts
 - Select dollar amount
 - Select how often
 - Payments continue until money is gone
 - Number of payments varies
- Specified period
 - Select how often
 - Payment amount varies (depending upon length of time, periodic basis and rate of return)
- Payments taxable at the time withdrawn
 - the required 20% federal income tax amount will be withheld
 - You may owe additional federal and state income tax.



Combination Payment Options

- Periodic payment
- Partial lump sum plus periodic payment
- Keep funds in your County of Orange Defined Contribution Program



Required Minimum Distribution

- Must be taken by April 1 of the year after the year you turn 72
- After that, at least once a year—on or before December 31
- If you don't withdraw, there is an accumulation tax—50% of the required distribution that you didn't take
- Visit www.irs.gov for more about minimum distributions

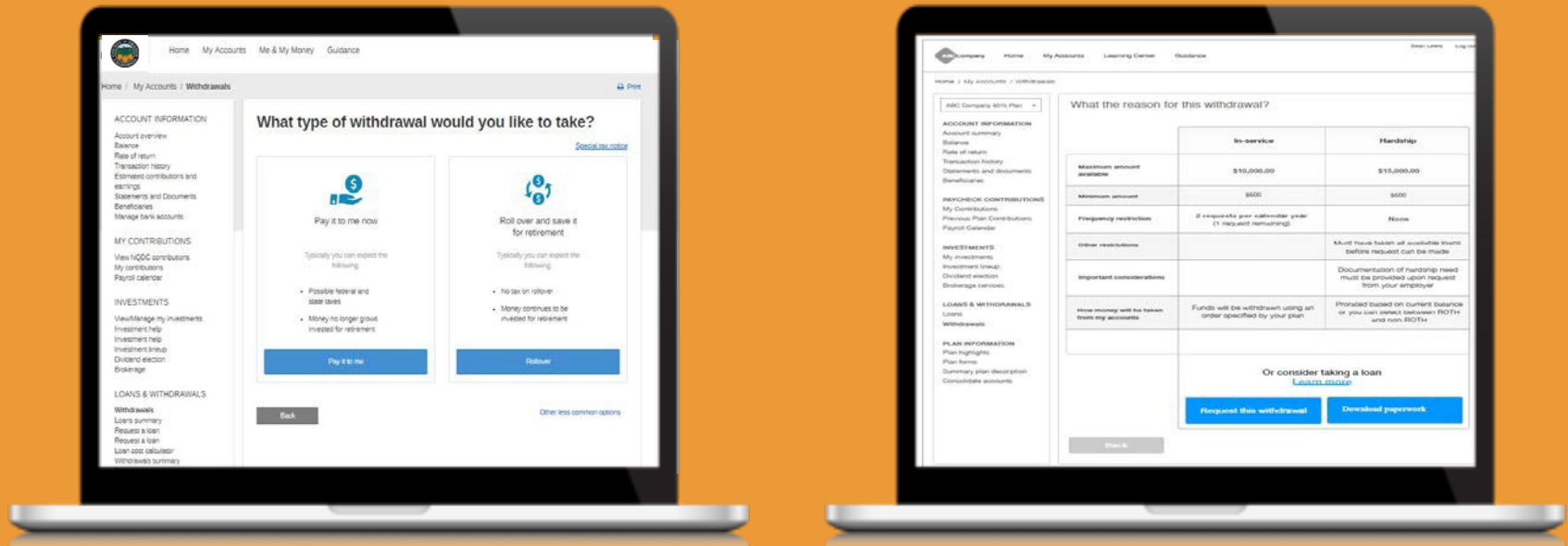


The Advantages of Staying Put

- By keeping your assets with your County of Orange Defined Contribution Program, you have access to:
 - The same investment options
 - The same account management tools
 - The same planning tools
 - Flexible withdrawal options
 - Competitive fees
- The Plan that helped you prepare for retirement can help you manage retirement



Simple, intuitive platform for taking withdrawals



Simple, intuitive experience for **taking in-service and separation of service withdrawals**

Multiple delivery options including **mail or direct deposit**

Timely withdrawal status updates sent by email, text or both

FOR ILLUSTRATIVE PURPOSES ONLY.



We can help

- Local plan counselors
- Retirement Readiness Reviews
- Monthly seminars



Three local plan counselors

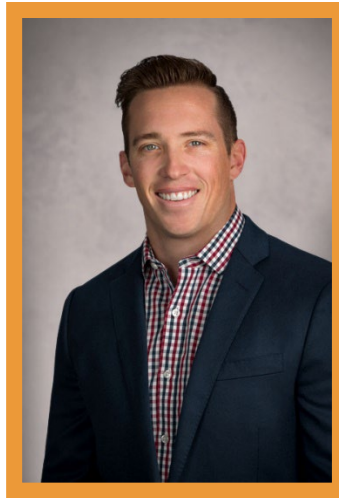
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Contact your local counselors at <https://county-of-orange.empowermytime.com/>



Retirement Readiness Review

Will you be ready for retirement?

- In order to answer yes to that question, there are three additional questions you need to answer first:
 - How much should I save?
 - What plan investments should I choose?
 - What may my retirement income look like?
- These are the questions that many people often identify as the most concerning and challenging when it comes to planning for retirement.
- Your Retirement Plan Advisor can assist you with a review to make sure you are on track to meet your retirement goals.



What Is Retirement Readiness?

Retirement Readiness: Your ability to retire with an adequate amount of sustainable income for life according to your personal financial situation and retirement goals.



Asset Allocation



Savings Rate



Retirement Age



Income Replacement %



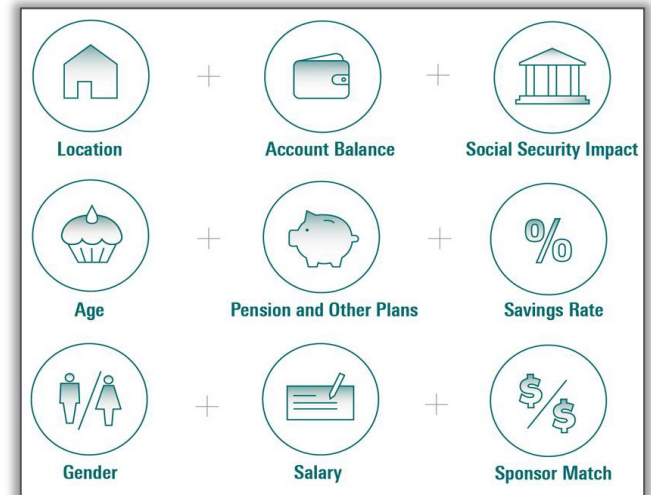
Retirement Readiness Reviews

RRRs Are Diagnostic

- Assess where you stand today and the current path you are on for retirement readiness
- Analyze your investments, savings rates, and retirement income

RRRs Are Prescriptive

- Identify areas of improvement in order for you to reach the goals that you have established
- Specific recommendations to help improve your savings rate and your investment allocation strategies



Retirement Readiness Reviews

1) Gather Personal Data and Establish Goals

- Salary
- DOB
- State of Residence
- Gender
- Retirement Age
- Desired Retirement Income
- Marital Status
- Dependents
- Life Expectancy
- Bequest

3) Include Guaranteed and Other Income

- Social Security Income
- Defined Benefit Pension Income
- Rental Income
- Part-time work
- Other cash flows

2) Collect Outside Investment Accounts

Account Type:

- 401(k), Taxable, 403(b), 401(a), 457(b), 457(f)
- IRA, Roth IRA, Post-Tax IRA
- Annuities
- Taxable Accounts

Investment Allocations:

- Individual stocks
- Mutual Funds
- ETF's
- Asset Classes

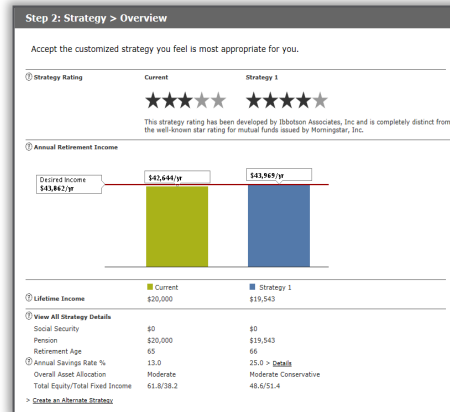
4) Factor in Other Expenses

- Healthcare costs
- Vacation/travel expenses
- College/education costs
- Other expenses

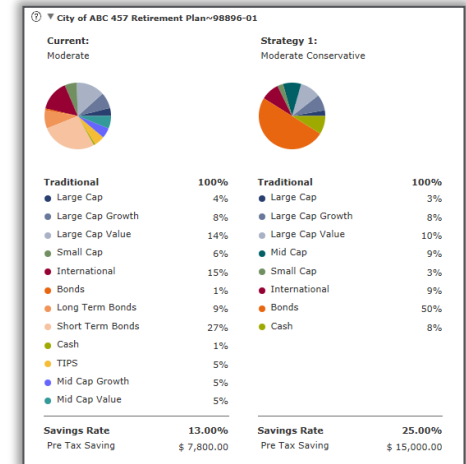


Retirement Readiness Reviews

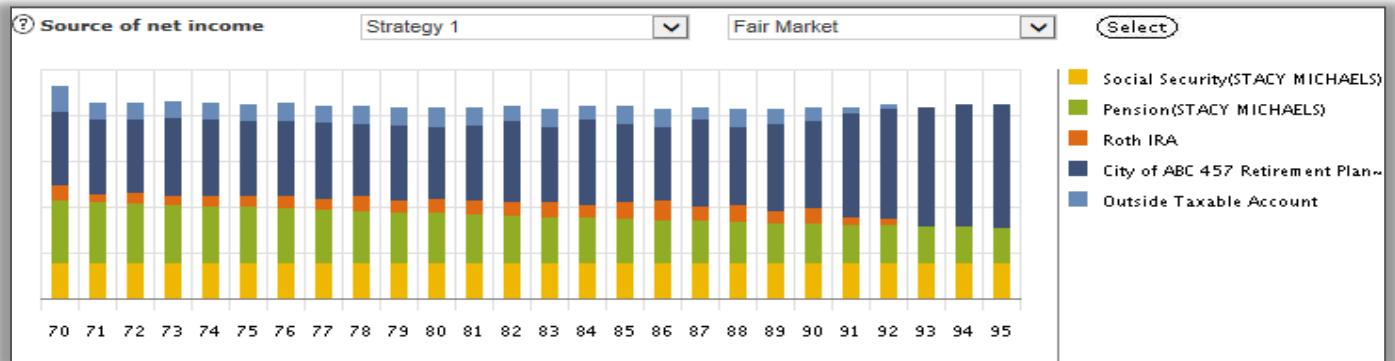
Understanding high level retirement income projections – current vs. recommended



Delivering the specific recommended changes to the portfolio and savings strategies



Displaying tax-efficient spend down and cash flow throughout retirement years

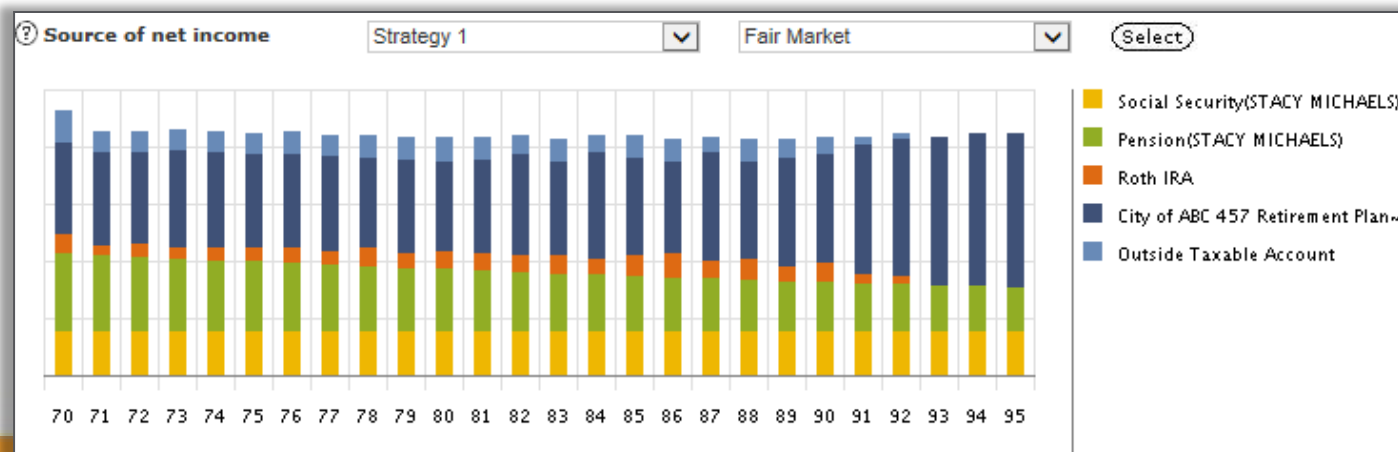


For Illustrative Purposes Only



Readiness Reviews for Retirees

- The most neglected part of retirement planning for individuals is their spend-down strategy. Near-retiree methodology is provided in order to:
 - Realize what their sustainable retirement income level may be throughout retirement.
 - Understand where their income will be coming from through those retirement years.
 - Determine appropriate investment strategies.
 - Analyze the value of keeping their assets in the Program.



For Illustrative Purposes Only



How We Can Help



Personal Financial Profile Form
– included in the My Total Retirement™ service Welcome Kit and Annual Kit



Program website – log in and select Guidance



Call and speak with an investment adviser representative



On-site professionals certified by the CFP® Board

The image shows two overlapping screenshots. The top one is a 'Personal Financial Profile Form' from Advised Assets Group. It includes fields for Participant Name, User ID, Plan ID, and a table for 'Personal Profile Review' with columns 'On File' and 'Updated Information'. The bottom screenshot is a web interface for 'Advisory Services' showing 'Step 1: Information > Personal and Income'. It contains a sidebar with navigation options like 'Introduction', 'Step 1: Information', 'Step 2: Strategy', 'Step 3: Service Options', 'Step 4: Confirmation', 'Data Point Report', and 'Enrollment Status'. The main content area has a 'General Information' section with fields for Name, Date of Birth, Retirement Age, Gender, US State, Dependents, Life Expectancy Age, and Bequest. There is also an 'Income' section with fields for Annual Salary and Annual Desired Retirement Income. Navigation buttons 'Save/Exit', 'Back', and 'Next' are at the bottom right.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit..

Online Advice and My Total Retirement™ are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

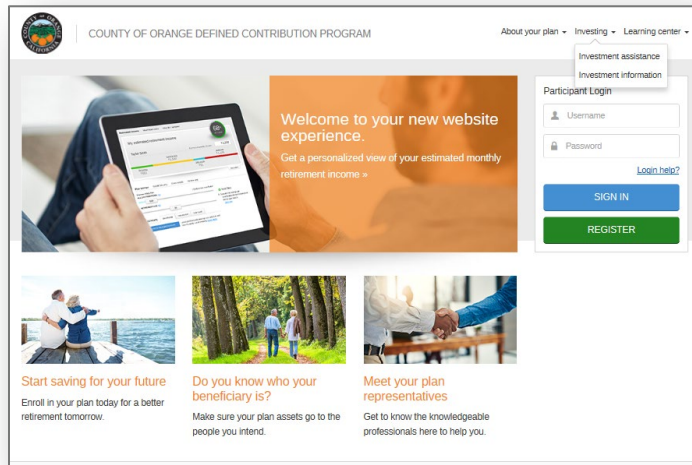


Monthly seminars

- Monthly educational seminars
- Lunch-hour learning seminars
 - One hour
 - Various locations
 - Posted online to view at your convenience
- www.countyoforangedcplan.com



Account Management



Online

www.countyoforangedcplan.com



Telephone

**Voice Response System
Customer Service at
(866) 457-2254**



Thank you!



Disclosures

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