

# Retirement Distribution Options

County of Orange  
Defined Contribution Program



## Take Advantage of All County of Orange Defined Contribution Program Benefits

- Contribution limits
  - Up to \$20,500 in 2022
- 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)<sup>1</sup>
- Tools to help you manage your account



<sup>1</sup> Money from other types of plans or accounts that are rolled over into a governmental 457 plan may still be subject to the 10% federal early withdrawal penalty upon distribution from the 457 account prior to the investor reaching age 59½.



# Important Decisions

- When do I start taking my distributions<sup>1</sup>?
  - 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.<sup>2</sup>

1 Withdrawals may be subject to ordinary income tax.

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

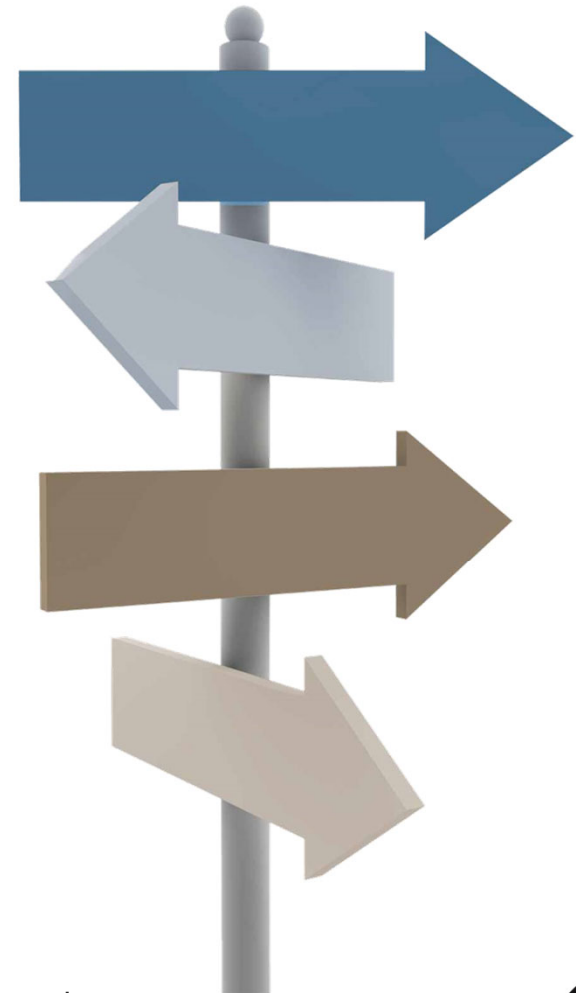


# Distribution Options

- Lump-sum distribution
  - Cash
  - Roll over to another eligible plan, an IRA<sup>1</sup> or purchase an annuity<sup>2</sup>
  - 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

53-7346/2113

DATE M/D/2021

Plan Participant

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

DOLLARS

MEMO Your Retirement Plan MP

23 0096415

© DELUXE WALLET OR DUPLICATE STERLING GENTLY

Security Features Included. Details on Back.



# 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](http://www.irs.gov) for more about minimum distributions



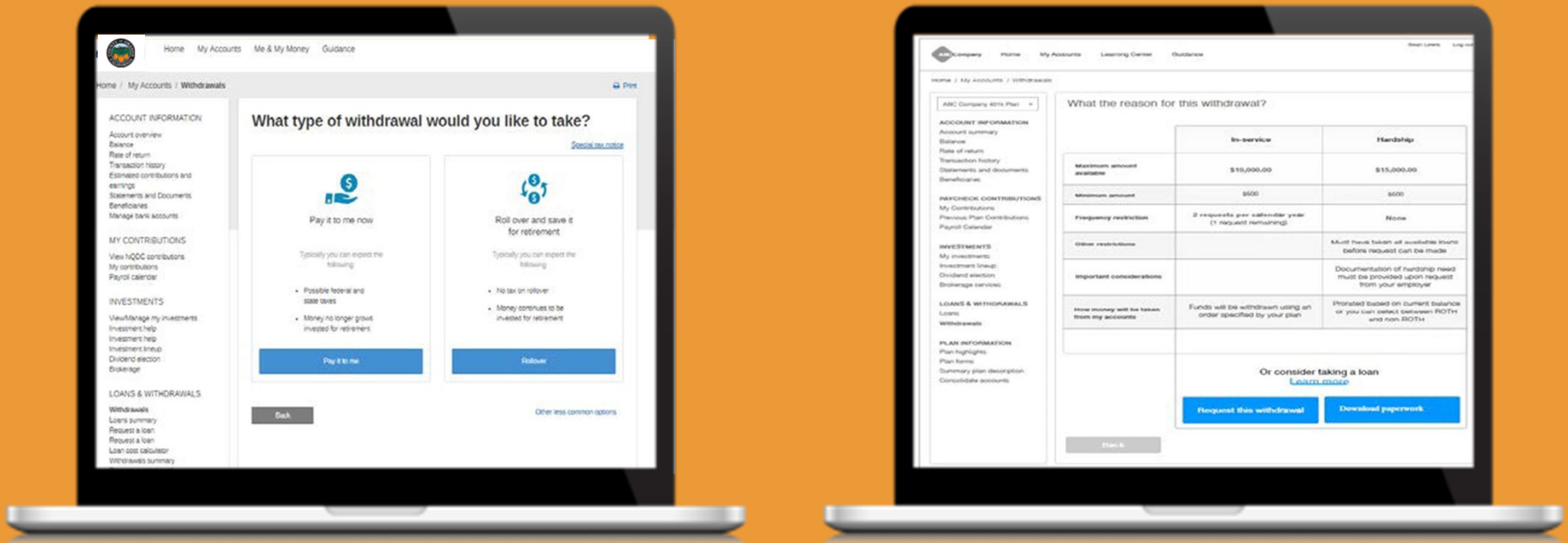


## The Advantages of Staying Put

- 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. Not all features are currently available. Some features are under consideration and/or in development.





# **We can help**

- Local plan counselors
- Retirement Readiness Reviews
- Monthly seminars



# Three local plan counselors

**Cathy Matusiewicz**

cathy.matusiewicz@  
empower-retirement.com



**Hugo Flores**

hugo.flores@  
empower-retirement.com



**Max Fournier**

max.fournier@  
empower-retirement.com



**Contact your local program office at (714) 834-6765**



# 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 %**



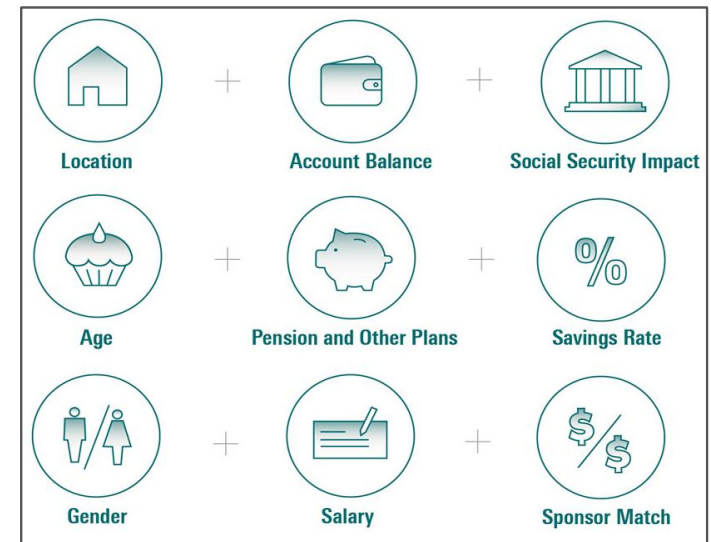
# Retirement Readiness Reviews

## 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

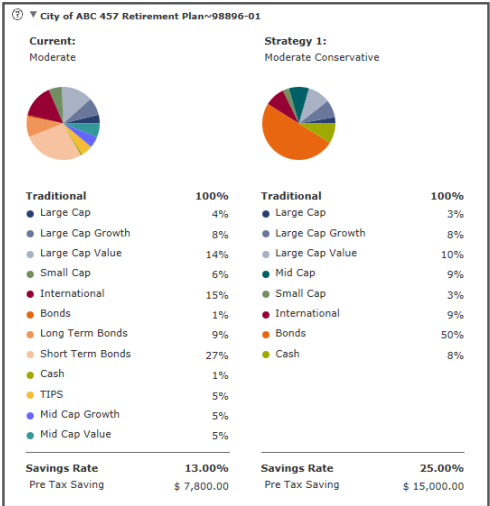


# Retirement Readiness Reviews

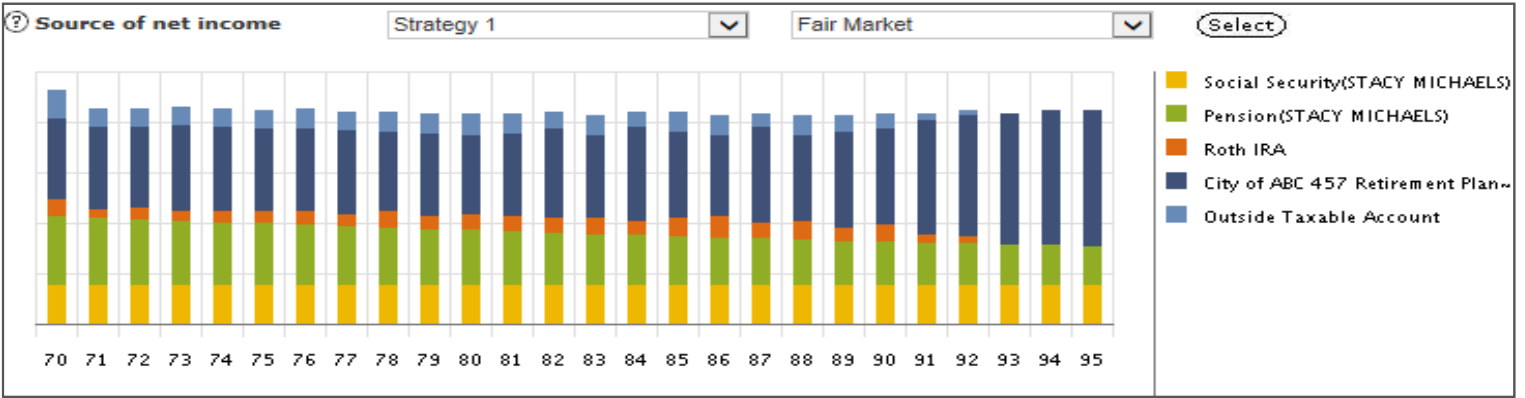
Understanding high level retirement income projections – current vs. recommended



Delivering the specific recommended changes to the portfolio and savings strategies



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

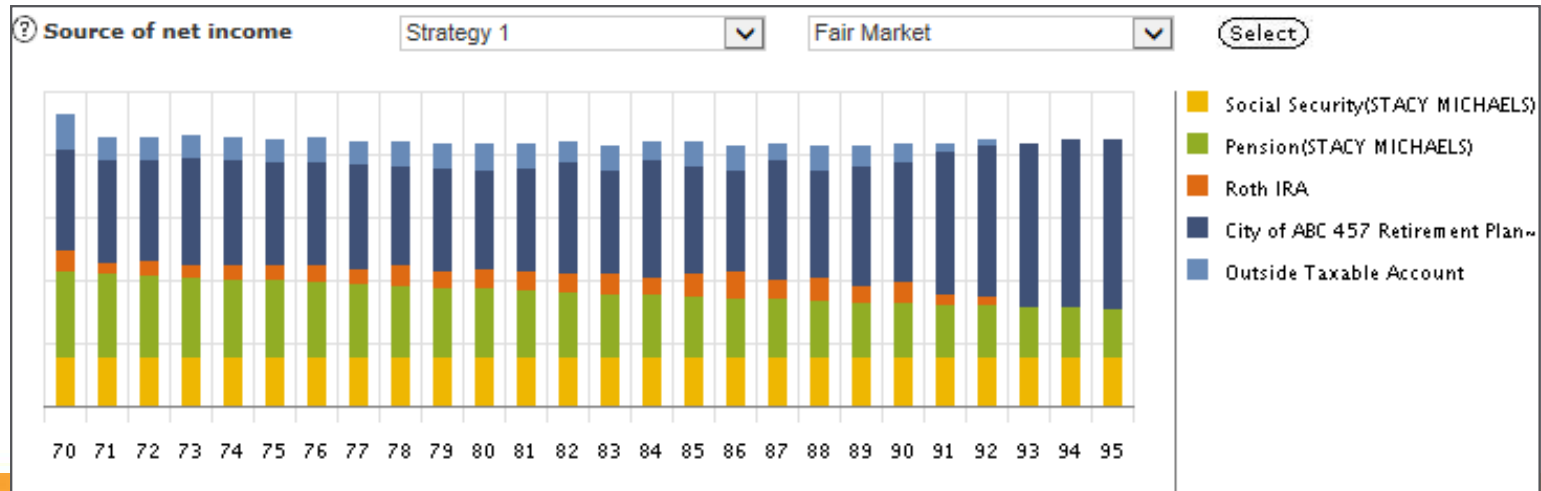


For Illustrative Purposes Only



# 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 screenshot is a 'Personal Financial Profile Form' from Advised Assets Group. It includes fields for User ID, Plan ID, Participant Name, and instructions for returning the form. Below this is a table with columns 'Personal Profile Review', 'On File', and 'Updated Information'. The bottom screenshot is a web interface for 'Advisory Services', specifically 'Step 1: Information > Personal and Income'. It contains a 'General Information' section with fields for Name, Date of Birth, Retirement Age, Gender, US State, Dependents, Life Expectancy Age, and Request. There is also an 'Income' section with fields for Annual Salary and Annual Desired Retirement Income. Navigation buttons like 'Save/Exit', 'Back', and 'Next' are at the bottom.

Personal Profile Review	On File	Updated Information
Account Balance	xx	
Date of Birth	xxx	
Your Annual Salary	xxx	
Gender	xx	
State of Residence	xx	
Number of Dependents	xx	

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.





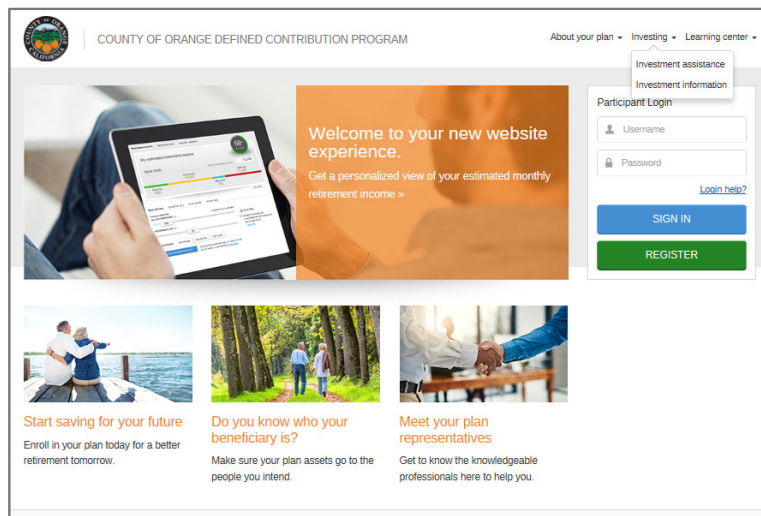
## Monthly seminars

- Monthly educational seminars
- Lunch-hour learning seminars
  - One hour
  - Various locations
  - Posted online to view at your convenience
- [www.countyoforangedcplan.com](http://www.countyoforangedcplan.com)





# Account Management



**Online**

**[www.countyoforangedcplan.com](http://www.countyoforangedcplan.com)**



**Telephone**

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



Thank you!



# Disclosures

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