

# Retirement Distribution Options

County of Orange  
Defined Contribution Program

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

- Standard Contribution limits
  - Up to \$23,500 in 2025
- Catch-up opportunities
  - Age 50 and Over
    - \$23,500 Standard Limit + \$7,500 (\$31,000)
    - Limits automatically increase the year you turn 50
  - 3 Year Special Catch-Up
    - \$47,000 (2025)
    - Standard Limit x 2
- 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



# 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.

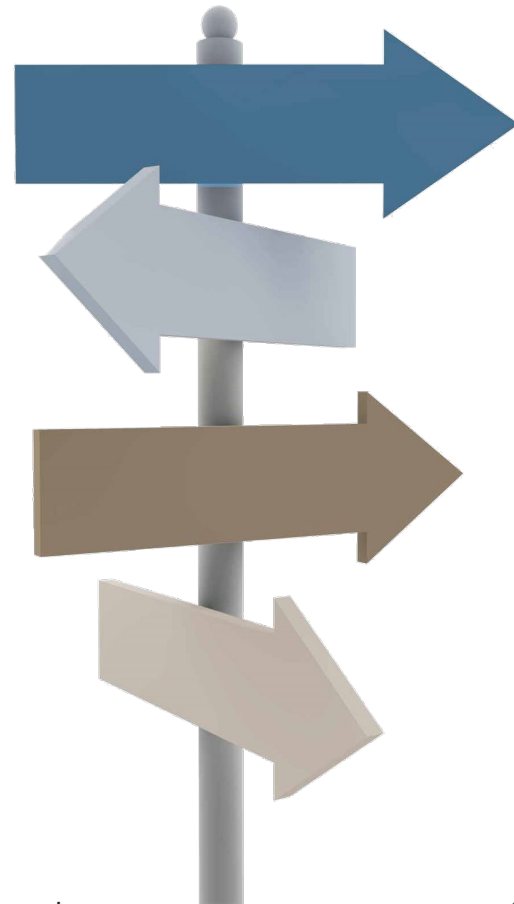


# Distribution Options

- 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- Only the amount withdrawn is taxable that year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

⑆ 211373461⑆ 23 0096415⑆

© DELUXE WALLET OR DUPLICATE STERLING GENTRY

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 73
- After that, at least once a year—on or before December 31
- If you don't withdraw, there is an accumulation tax—25% of the required distribution that you didn't take
- Visit [www.irs.gov](http://www.irs.gov) for more about minimum distributions



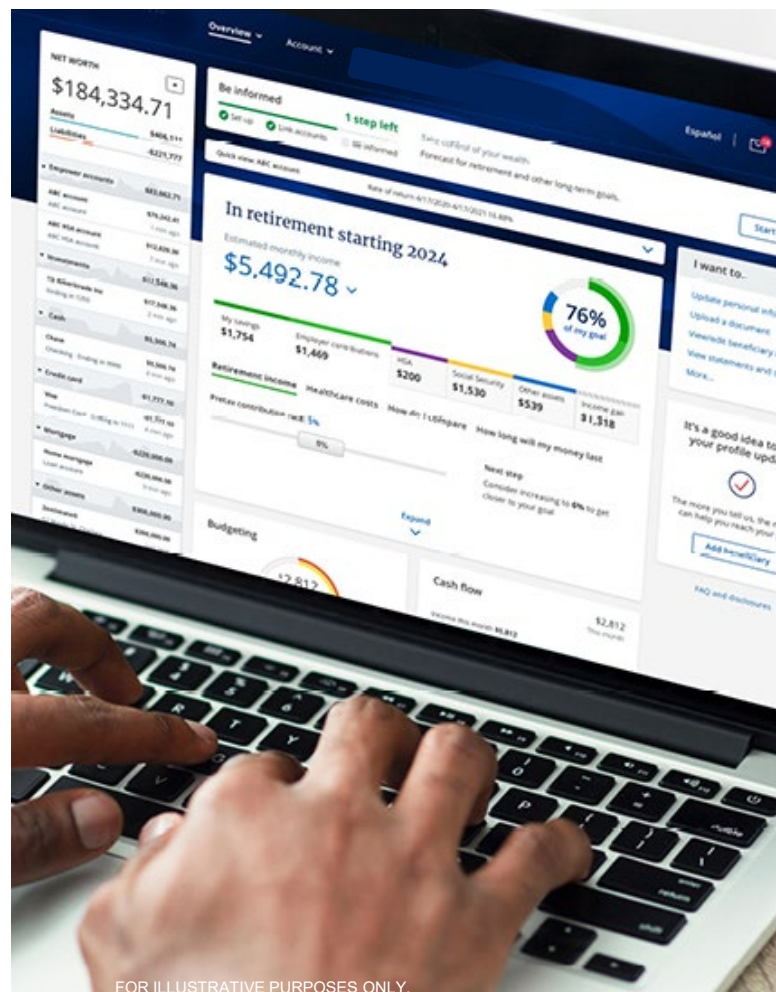
# The Advantages of Staying Put

- 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
  - Retiree Loans
  - ROTH Conversions
- The Plan that helped you prepare for retirement can help you manage retirement



# The Empower Personalized Experience

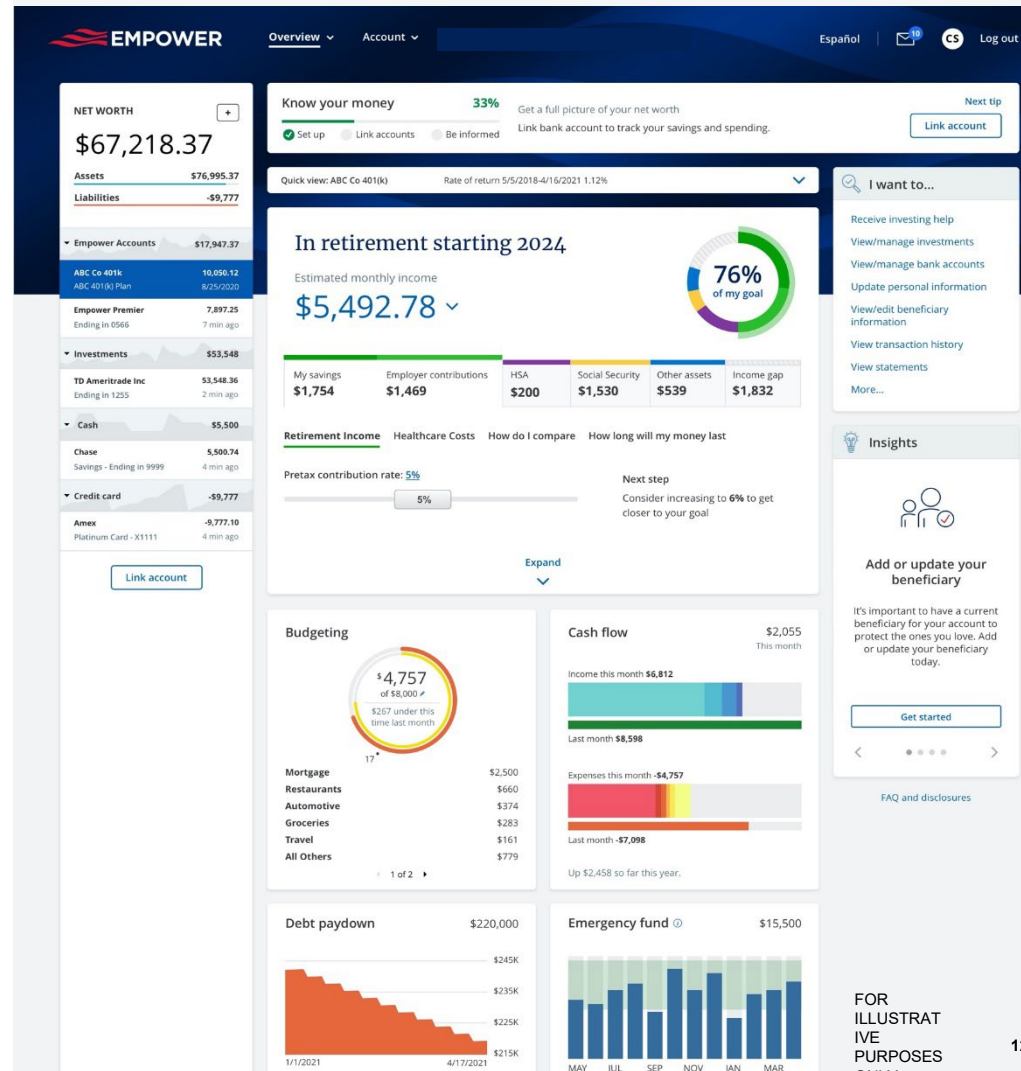
- Help simplify your financial life.
- See your complete financial picture in one place.
- Use the tools to help manage your day-to-day finances and plan for the future.
- Take advantage of security and risk management you can trust.



# See the Big Picture

Just link your accounts and, in one place, you can see your:

- Estimated net worth.
  - Progress toward retirement.
  - Credit card balances.
  - Spending and savings trends.
  - Mortgage balances.
  - Other financial details.
- This helps simplify managing your budget, savings, spending and competing priorities.



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ONLY.

# Linking Accounts is Easy and Secure

With just a few clicks, you can link:

- Accounts from over 16,000 financial institutions.
- A wide variety of financial accounts.
- Non-financial accounts.

The screenshot displays the Empower financial dashboard. A modal window titled "Add your account" is centered on the screen, allowing users to link new accounts. The modal includes a search bar for bank names or URLs and a grid of logos for various financial institutions such as U.S. Bank, Vanguard, Charles Schwab, Ameritrade, Betterment, E\*TRADE Financial, Robinhood, T. Rowe Price, TIAA, Fidelity, and Morgan Stanley. Below the logos, there are buttons for "Add Home Value", "Add 401k", "Add Portfolio", and "More...".

The background dashboard shows a "NET WORTH" of \$67,218.37, categorized into Assets (\$76,995.37) and Liabilities (-\$9,777). It also features sections for "Know your money" (33%), "In retirement" (Estimate \$5,400), "My savings" (\$1,754), "Retirement" (Pretax contributions), "Budgeting" (a donut chart showing \$4,757 of \$8,000), "Cash flow" (a bar chart comparing this month's income of \$6,812 to last month's \$8,598), "Debt paydown" (a bar chart showing progress from 1/1/2021 to 4/1/2021), and "Emergency fund" (a bar chart showing progress from MAY to MAR).

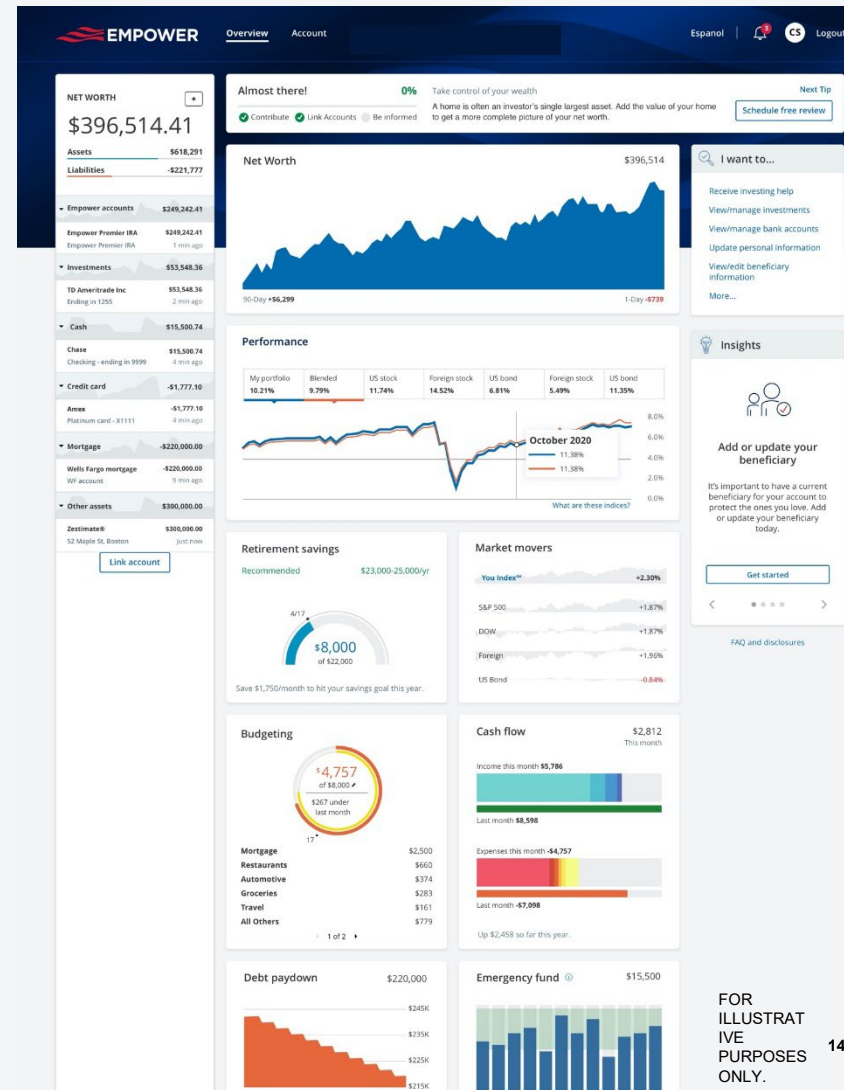
On the right side, there is a "I want to..." section with links for investing help, managing investments, updating personal information, and viewing statements. Below this is an "Insights" section with a "Get started" button and a link to "FAQ and disclosures".

At the bottom right, a note states: "FOR ILLUSTRATIVE PURPOSES ONLY."

# Real-Time Financial Tools Help you Reach your Goals

## Our suite of budgeting and finance tools includes:

- Budgeting and cash-flow tool.
- Retirement planners.
- Savings planners.



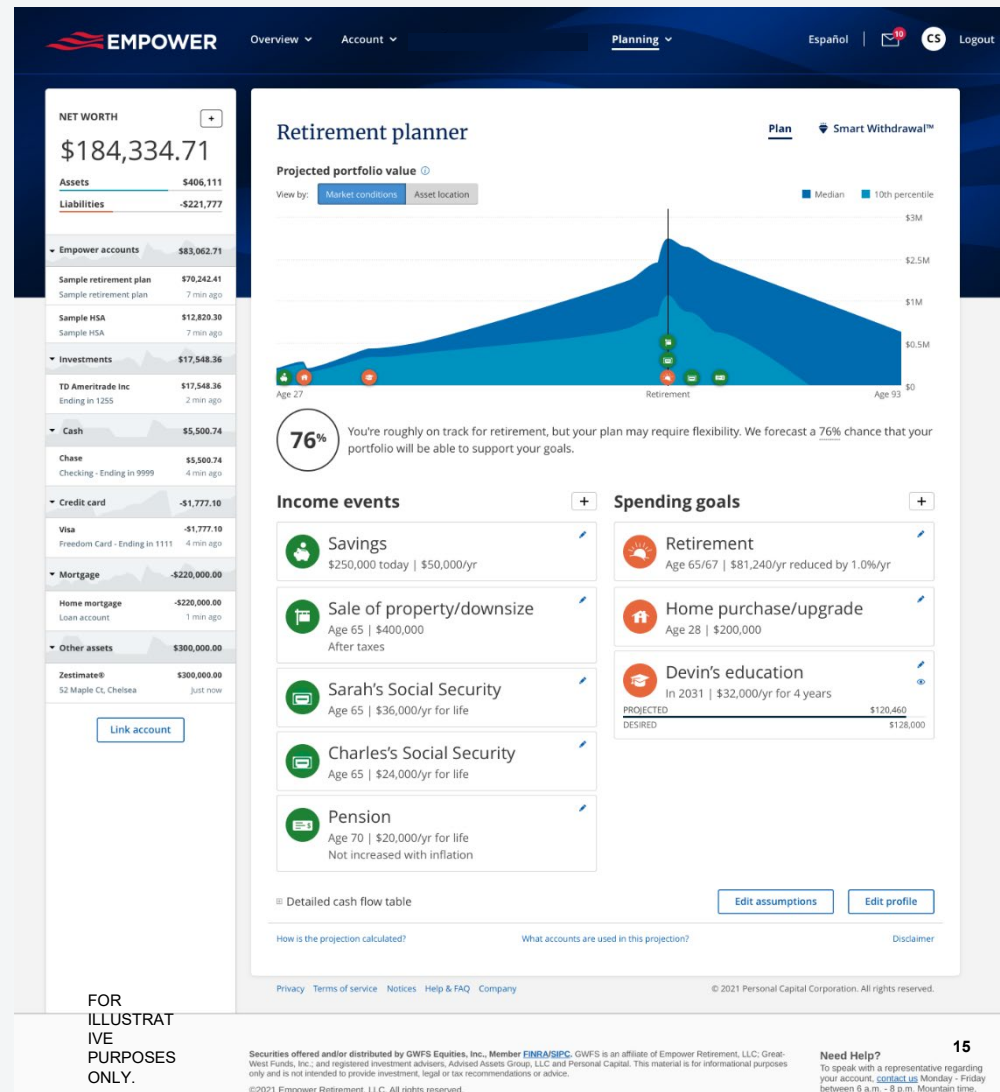
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# Retirement planner

Automatically runs 5,000 simulations to deliver custom household retirement projections

## Projections include:

- Annual savings.
- Income.
- Spending goals.
- Retirement spending.
- Social Security.
- Tax rules for taxable, tax-deferred and tax-free accounts.





Thank you!



# Disclosures

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