

# 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.

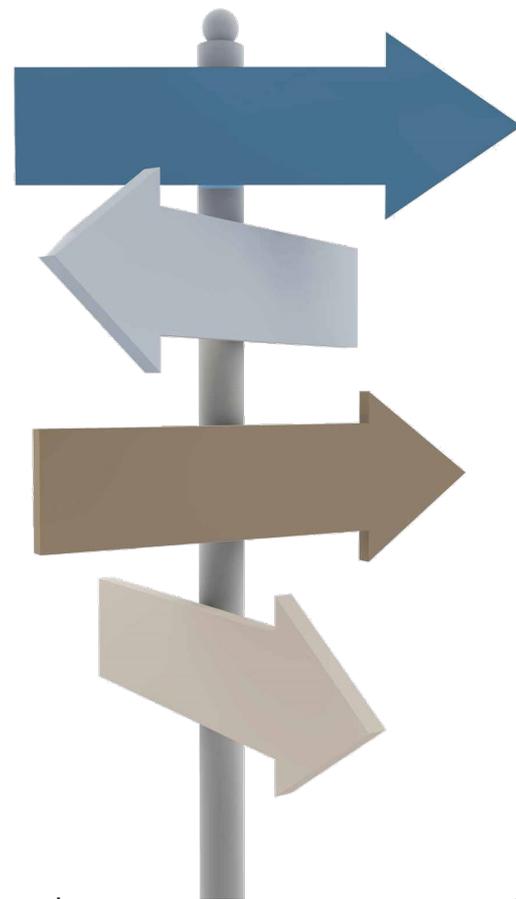


# Distribution Options

- 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- Only the amount withdrawn is taxable that year



# 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



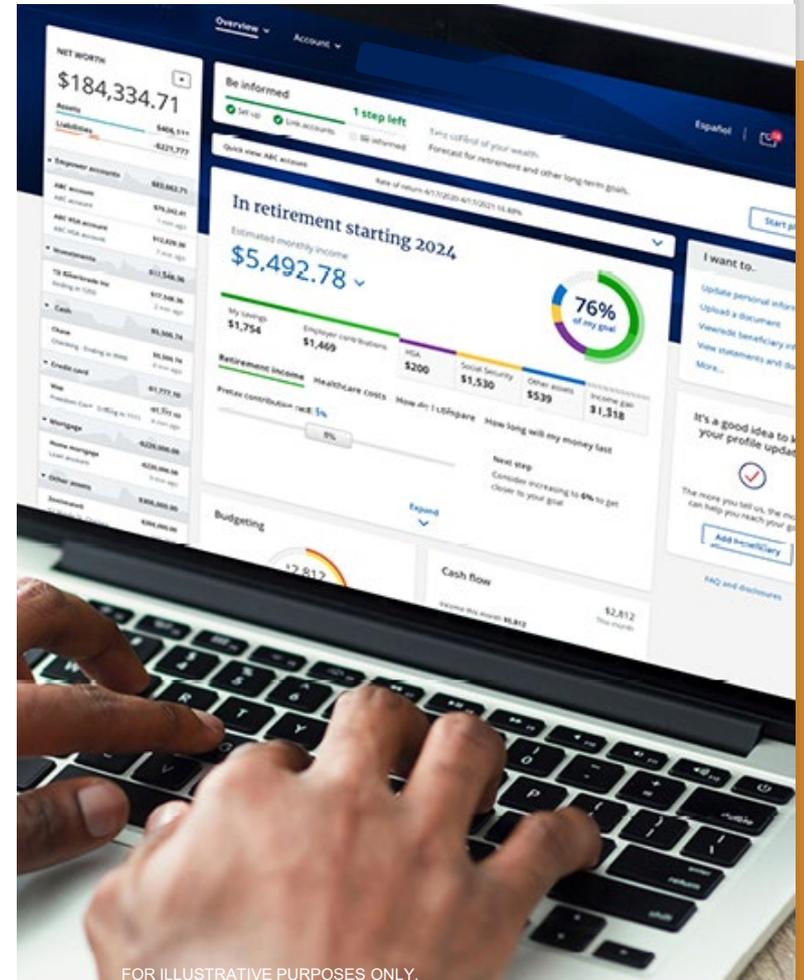
## The Advantages of Staying Put

- 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

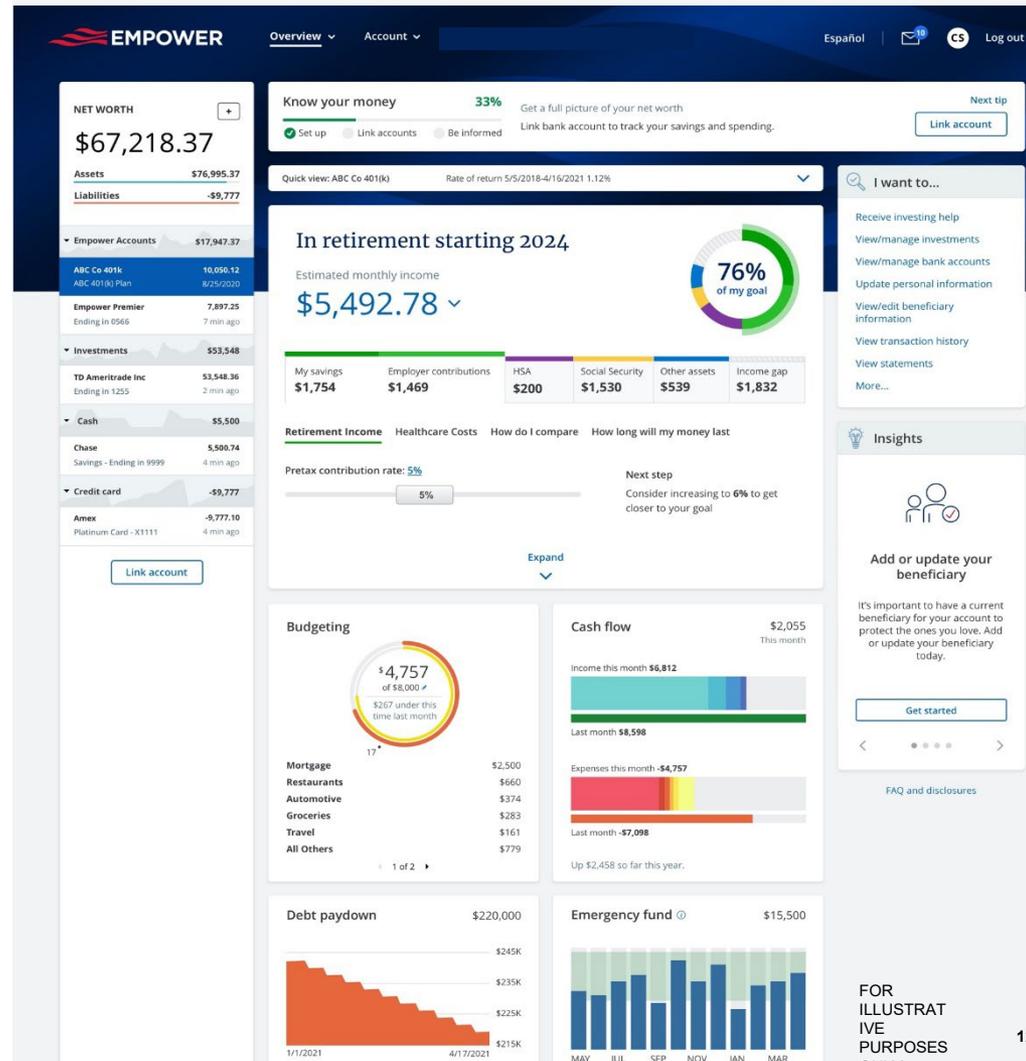
- Help simplify your financial life.
- See your complete financial picture in one place.
- Use the tools to help manage your day-to-day finances and plan for the future.
- Take advantage of security and risk management you can trust.



# 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.



FOR ILLUSTRATIVE PURPOSES 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.

**EMPOWER** Overview Account Español CS Log out

**NET WORTH** \$67,218.37

Assets \$76,995.37  
Liabilities -\$9,777

**Empower Accounts** \$17,947.37

- ABC Co 401k 10,050.12 ABC 401(k) Plan 8/25/2020
- Empower Premier 7,897.25 Ending in 0566 7 min ago

**Investments** \$53,548

- TD Ameritrade Inc 53,548.36 Ending in 1255 2 min ago

**Cash** \$5,500

- Chase 5,500.74 Savings - Ending in 9999 4 min ago

**Credit card** -\$9,777

- Amex 9,777.10 Platinum Card - X1111 4 min ago

Link account

**Know your money** 33% Get a full picture of your net worth. Link bank account to track your savings and spending. [Link account](#)

**Add your account**

Enter your bank name or URL

Or select from these financial institutions:

- USAA Vanguard Charles Schwab Ameritrade
- Betterment E\*TRADE Financial Robinhood Edward Jones
- T. Rowe Price TIAA Fidelity Morgan Stanley

Add other assets such as property or stock options to get a more complete snapshot of your finances.

[Add Home Value](#) [Follow](#) [Add Portfolio](#) [More...](#)

**Budgeting** +4,757 of \$8,000 \$207 under this time last month

- Mortgage \$2,500
- Restaurants \$660
- Automotive \$374
- Groceries \$283
- Travel \$161
- All Others \$779

**Cash flow** \$2,055 This month

Income this month \$6,812  
Last month \$8,598

Expenses this month -\$4,757  
Last month -\$7,098

Up \$2,458 so far this year.

**Debt paydown** \$220,000

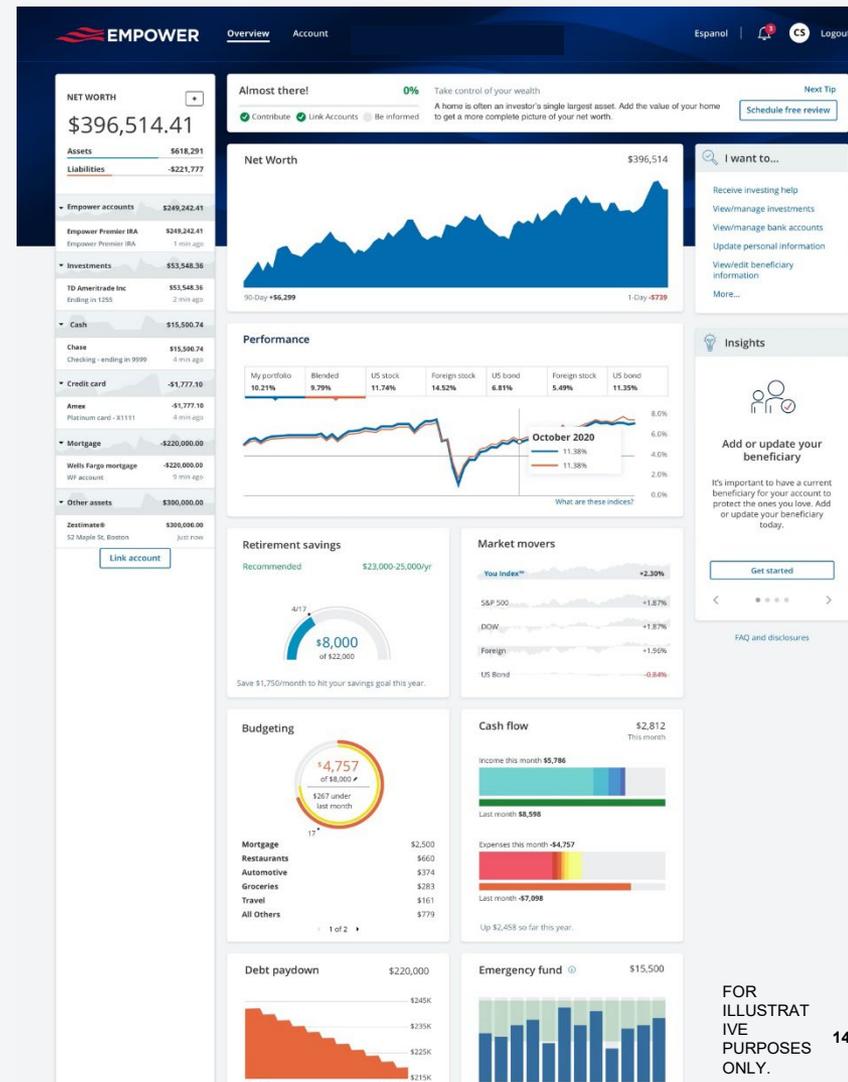
**Emergency fund** \$15,500

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# 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.



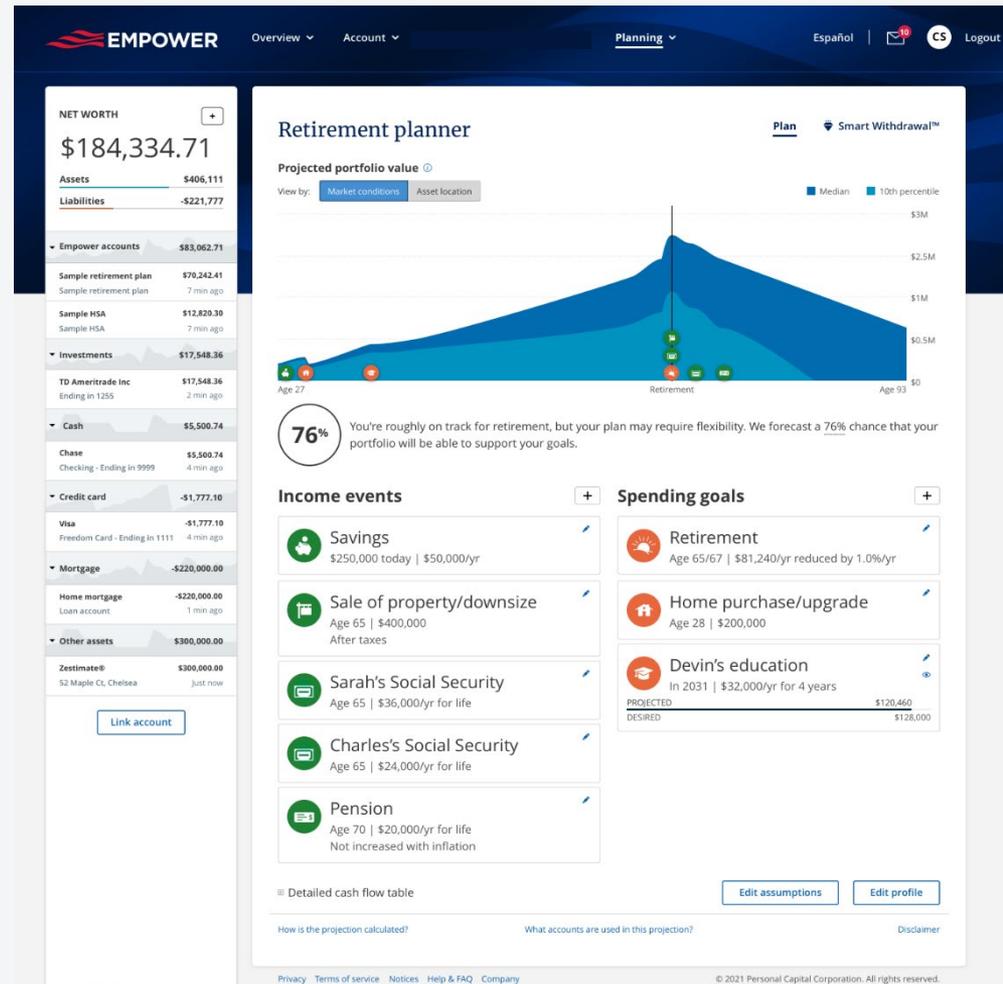
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# Retirement planner

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.



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To speak with a representative regarding your account, [contact us](#) Monday - Friday between 8 a.m. - 8 p.m. Mountain time.

Thank you!



# Disclosures

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