

# Introduction



Your employer takes your retirement readiness seriously. September 2019 you may begin contributing to a new supplemental retirement savings benefit called the Iowa Retirement Investors' Club (RIC).

RIC is designed to **help you save a portion of your wages** now for a time in the future when you want or need to retire.

# Purpose

Your *need* for income in retirement is *inevitable*.



*“When I get to retirement, I can count on Social Security and IPERS benefits to be everything I need.”*

**NOT SO FAST!**

A large, bold, red stamp with the words "NOT SO FAST!" is superimposed over the right side of the image. The stamp has a diagonal line through it. In the background, a document with the word "IPERS" and a blue star logo is visible.

Your ability to retire when you want depends on what you do now-not when you get there.

# Purpose

## Sources of income in retirement



### Social Security

**What if** SS is no longer able to fund at the intended 40% income replacement?

### Personal Savings

**You control** this income source now and in the future. Planning and saving over the years will determine your benefit.

**Pension**  
*I***PERS**

**What if** you don't reach full benefit status?

No COLA

# Purpose

Think about it...

Supplemental retirement savings plans are



*One part of your future you CAN control!*

# Purpose

Future uncertainties you CAN'T control:

- Social Security & pension income
- Healthcare costs
- Inflation & taxes
- Health
- Employment
- Death



You CAN control *how you prepare* to handle these things. You can personally and positively affect what your options will be at retirement.

# Purpose

Participants in the RIC 457/401a retirement savings plans enjoy:

- Automatic savings
- Tax advantages
  - Pre & post-tax deductions
  - Tax-deferred/free earnings
  - Tax credit (must qualify)
- Access to competitive investments while saving and in retirement at little to no cost
- Flexible income options in retirement



Now that you see  
the basic purpose  
and importance of  
your retirement  
savings plan, it's  
time to take  
control!



# RIC participants enjoy control over

- Contributions/Roll-ins
- Investment mix
- Changes/Distributions
- Enrollment





# Contributions

When you enroll in RIC, you will open 2 accounts.



- **A 457 account** for payroll deductions (and roll-ins)
- **A 401a account** for qualified plan roll-in assets

**You are fully vested in  
both accounts from day 1.**

# Contributions (limits)

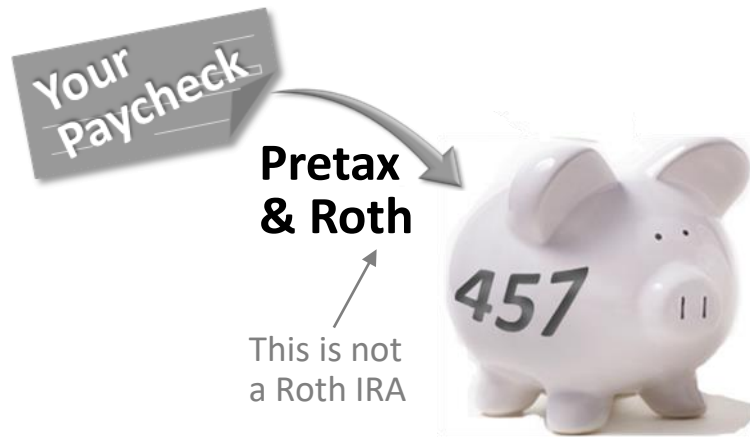


Payroll deductions ([minimum of \\$25/month](#)) are deposited into your selection of RIC investments in the 457 plan. Deductions may be changed or stopped at anytime.

IRS Annual Maximum Contribution Limits		2019
Regular	100% of compensation up to:	<b>\$19,000</b>
Age 50+	The regular limit + \$6,000:	<b>\$25,000</b>
3-Year Catch-Up	Up to twice the Regular limit	<b>\$38,000</b>

**The total** of all contributions made to the 457 account in a tax year must not exceed the [current IRS annual maximum limits](#).

# Contributions (tax benefits)



**Tax advantages** differ depending on the taxation of deductions.

You have the choice to have your deductions taken pretax and/or post-tax Roth.

	Pretax 457	Roth 457
Tax treatment of <i>deductions</i>	No withholding	Regular income tax withholding
Immediate tax benefit	Lowers taxable income	None
Tax treatment of <i>earnings</i>	Tax-deferred until withdrawn as cash	Tax-free for qualified distributions
Consideration	Possibility of lower tax rate in retirement	Possibility of higher tax rate in retirement

# Contributions (tax credit)

## Savers Tax Credit

You may be saying **“I can’t afford to save!”**. Consider the benefit of the Savers Tax Credit designed to help low-to-middle income earners save for their retirement.



You may qualify to receive up to a \$1,000 (\$2,000 if filing jointly) credit against taxes owed if your adjusted gross income does not exceed the [current IRS limits](#).

	2019
Filing jointly	\$64,000
Filing single	\$32,000
Filing Head of household	\$48,000

# Roll-ins

Outside retirement plan assets may be rolled *into and out of* RIC at any time. This is a non-taxable transfer.



**IRA** (non-Roth),  
**401k, 403b** (TSA),  
**457, 401a**

**Consider the RIC benefits** of penalty-free competitive fixed rate accounts, no-load/low-cost mutual funds, expert advisors, etc. for your outside retirement assets.

# Please note:

---

- **Mass Mutual and Voya** representatives are your best source of information about the investments being offered.
  - RIC does not give investment advice.
  - Examples used in this presentation are for illustrative purposes only.
  - All investments involve some degree of risk; ask your advisor what risk is associated with the investments in your portfolio.
-

# Investments (selection)

**Provider products are competitively bid** and must meet the RIC investment policy standards and annual review requirements.

Here are a few things you can expect:

- Diversified, competitive fund line-up
- No sales charges or transfers between funds
- 24/7 internet/phone account access
- No restrictions or fees for eligible distributions
- Flexible payment options at separation from employment
- Investment planning tools and advisors to help you plan

# Investments



## Bond (Income)

Fixed Rate (safety)  
Interm-Term High-  
Quality Core Bond  
High-Yield Bond  
TIPS (Treasury Inflation-  
Protected Securities)  
Global Bond

## Stock/Bond (Balanced)

Traditional Balanced  
Lifecycle (target date)

## Stock (Growth)

Large Capital Stock Index  
Large Capital Value Stock  
Large Capital Growth Stock  
Mid-Capital Stock Index  
Mid-Capital Value Stock  
Mid-Capital Growth Stock  
Small Capital Stock Index  
Small Capital Value Stock  
Small Capital Growth Stock  
Total US Stock Mkt Index

## International

Int'l Developed Mkts  
Int'l Emerging Mkts  
World

## Alternative

Real Estate  
Socially Responsible  
Self-Directed Brokerage  
Account (SDBA)



# Investments

 **MassMutual**

**VOYA**  
FINANCIAL™

Voya offers 2 basic types of investments.

## Fixed Interest



- Fixed rate
- Fixed period
- Guaranteed by provider
- No market risk
- No transfer restrictions
- No maturities
- No fees

## Mutual Funds



- Variable rates
- No sales loads
- No guarantees
- Degrees of market risk
- No transfer restrictions
- No surrender charges
- Fund management fees

Total fee range - .04% - 1.28%.

# Investments

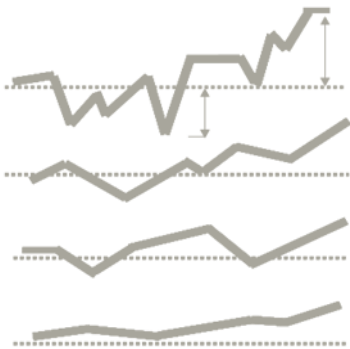
Access to provider website, quarterly fund performance, advisors, fixed rates, etc. are easily accessed from the [RIC website](#).



# Investments

Don't hesitate to ask questions. Provider representatives have investment knowledge to help you make informed decisions.

What kind of *risk* am I taking?



Will this enhance my *nest egg*?

Money markets/savings  
IRAs CDs  
Savings bonds  
Annuities/life insurance  
Real Estate  
Spouse's 401(k)  
Stocks/bonds  
Outside mutual funds



# Changes

**Your RIC 457/401a plans are very *flexible!***

At any time you may make changes to your:

- Payroll deductions
- Investments
- Address/name/beneficiary
- Investment advisor
- Provider




# Changes (payroll deductions)

Payroll deduction change requests for existing accounts are made by completing the *RIC Account Form* and submitting it to your payroll office.


The form is available on your employer's custom RIC webpage.

RIC Use Only: Provider Plan No. \_\_\_\_\_



**Iowa Retirement Investors' Club**  
(RIC) 457/401a Plans  
Look forward to retirement!

**RIC Account Form**



---

**Personal Information**

Name \_\_\_\_\_ Social Security # \_\_\_\_\_  
Last First MI Existing accounts need last 4 digits only

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Birth Date \_\_\_\_\_ Phone (work) \_\_\_\_\_ Phone (home) \_\_\_\_\_ Phone (cell) \_\_\_\_\_

---

**457 Payroll Deduction Election**

The minimum contribution amount is \$25/month. The combined amount of all 457 pretax and Roth contributions in a tax year is limited to the IRS annually declared maximum contribution limits (see <https://das.iowa.gov/RIC/PSE/contributions>).

Provider (choose one)  MassMutual  Voya

<p><b>Recurring deductions:</b> Payroll frequency is 26 checks/year (27 if applicable)</p> <p>Pretax \$ _____ /check</p> <p>Roth \$ _____ /check</p>	<p><b>Effective date:</b> Changes affect the 1st available check of the month following receipt of this form unless a future effective date is indicated.</p> <p>Future effective date (if desired) Begin as of _____</p>
--	---

**Stop deductions**  
Effective with next paycheck

---

**Provider Transfer Request**  
Account must be established with receiving provider.

Transfer:  100%  Amount \$ \_\_\_\_\_

From:  MassMutual  Voya

To:  MassMutual  Voya

Mail to: \_\_\_\_\_

RIC administrator signature: X \_\_\_\_\_ Date \_\_\_\_\_

FBO: Participant, Plan #: \_\_\_\_\_

---

**Participant Signature**

I authorize my employer to process these requests. I have access and agree to the terms and conditions of the Iowa Retirement Investors' Club (RIC) as disclosed in the Plan Document. I have established 457 and 401a accounts with a RIC provider. I understand that the total of all 457 contributions made in the calendar year must not exceed the federal limits as required by the Internal Revenue Code section 457. I understand that withdrawals may only be made upon termination of employment or qualification for an in-service distribution.

X \_\_\_\_\_  
Participant Signature Date

---

**Form Submission**

**New accounts:** Provider account forms: Forward to the provider  
RIC Account Form: Forward to your payroll office (shown below)


**Existing account changes:** RIC Account Form: Forward to your payroll office (shown below)

---

**Agent Use Only (Not require, but preferred)**  
I am authorized to open accounts for this employee and verify that the participant has established 457/401a accounts with the provider shown below.


<small>Print Agent Name</small> _____	<small>Agent Signature</small> _____	<small>Agent Phone Number</small> _____	<small>Date</small> _____
---------------------------------------	--------------------------------------	---	---------------------------

<small>Received by RIC</small> _____	<small>Payroll Office</small> _____	<small>RIC Use Only</small>
	Date Received: _____	Date Pending: _____
	Paycheck Effective Date: _____	Entered: _____
	Name: _____	Checked: _____

 Visit the RIC website at <https://das.iowa.gov/RIC/PSE> for full program details; select Your Plan Details from the left menu to access the RIC At-A-Glance and plan options specific to your employer's 457/401a plans.

OFN 552-0317-CCH  
Created 05/13/19

**Clarke County Hospital**  
800 S. Fillmore Street • Osceola, IA 50213 • (641) 342-5633 • Fax (641) 342-5378  
Iowa Retirement Investors' Club (RIC) • 866-460-4692 (toll free) • <https://das.iowa.gov/RIC>



# Changes (investments)

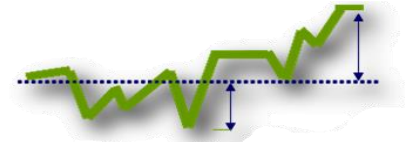
Conservative investor



Moderate investor



Aggressive investor



---

Risk tolerance and savings goals will likely change over time-your portfolio should too. Ask an advisor to help.

# Distributions (in-service)

**While employed**, a distributable event must occur

- Unforeseeable emergency – financial hardship that meets strict federal guidelines (457 assets only)
  - Funeral expenses
  - Foreclosure or eviction
  - Loss of wages
  - Uninsured medical expenses
  - Not available for bankruptcy or divorce
- Attainment of age 70 ½
- Cash out (small inactive accounts)
- **Separation from employment**



In-service distribution requests are processed by RIC.

# Distributions (separated from employment)

**You choose how and when** you want your money.

- Leave assets invested\*
- Take taxable distributions
  - Lump sums (total or partial)
  - Flexible periodic payments
  - Lifetime payments
  - Any combination
- Roll to another eligible plan



*Distribution requests are made directly to your provider. Employer authorization is not required.*

\*IRS annual minimum distributions must begin at age 70 ½ or retirement, whichever is later.



# Distributions (separated from employment)

## Flexibility in retirement

**Social Security**  
(Irrevocable)



**Pension**  
(Irrevocable)

**PERSONAL FINANCIAL INVESTMENTS**  
**FLEXIBLE**  
MUTUAL FUNDS, CDs,  
BONDS, ETC.

# Enrollment

## Enrollment is always open

The provider has everything you need to open your accounts. Ask them to help you through the process.

### **STEP 1**

**Choose a provider**

*All providers meet plan rules, investment policy standards, and annual fund review requirements. All offer guaranteed interest accounts, and diversified no-load mutual funds. No restrictions or fees for transfers between providers or funds.*

### **STEP 2**

**Open 457/401a accounts and choose investments**

*You may enroll online, in person with an advisor (no cost), or download forms from the provider's website. Providers have tools to help you choose your investments.*

### **STEP 3**


**Complete RIC Account Form**  
(for payroll deductions)

*Payroll deductions and match contributions begin the month after you enroll. Providers have tools to help you determine the amount you should contribute.*


# Enrollment


## Enrollment is always open

### Clarke County Hospital



800 S. Fillmore Street  
Osceola, IA 50213  
Phone: (641) 342-5633 / Fax: (641) 342-5378

An Affiliate of  UnityPoint Health



**IOWA RIC**  
It pays to save!

Plan details specific to the Clarke County Hospital 457/401a plans are shown below. Access additional program information from the left menu. **Enrollment is year round!** Take advantage of this great employee benefit by contacting one of the RIC providers!

**Eligibility & Vesting** | **Contributions / Roll-ins** | **Enrollment** | **Changes & Distributions**

Employees working 20+ hours/week are eligible to participate in the plan. **457 employee contributions:** Option to save pretax and post-tax Roth through the plan.

**Voya Information (457/401a plans)**  
800-555-1970

**MassMutual Information**  
800-743-5274

**Investor tools**  
[RetireSMART Mobile App](#)  
[Managed Accounts](#)  
[RetireSmart Ready Tool](#)  
[Receive a tax break](#)  
[How to view your statement](#)  
[Stock market changes](#)

**Enrollment & more**  
**Enroll** - MassMutual offers the following enrollment options:

- **With an advisor** (no additional cost) - Contact an [advisor in your area](#), if available.
- **Over the phone** - 800-743-5274
- **Download Forms** - Download a paper copy of the enrollment forms from the [MassMutual website](#).

following enrollment options:  
and follow the instructions ([enrollment flyer PDF](#)),  
additional cost) - See [local advisors](#)  
555-1970  
enrollment help or to ask questions, contact Voya at 800-555-1970

# Benefits for all ages

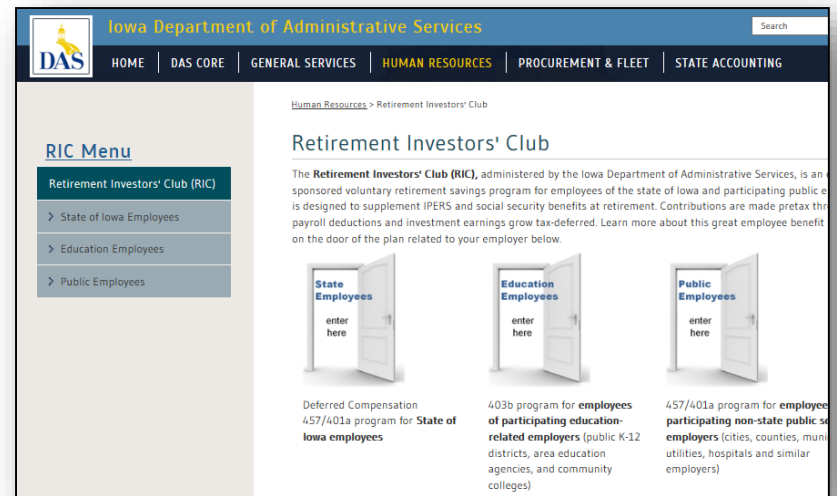
Even if you are less than 5 years from retirement...

- Automatic savings
- Tax benefits-lower taxes now or no taxes later (Roth)
- Fixed interest rate accounts (no maturities or fees)
- No-load, low-cost mutual funds (through retirement)
- Advisor services at no additional cost
- No surrender penalties or distribution fees
- No age penalty for eligible 457 plan withdrawals

**Get started today!**

# Resources

- Access your account online and save your PIN.
- Call your provider if you have questions about your statements or the investments in your account.
- Visit the RIC website at <https://das.iowa.gov/RIC>
- Robbie Stoecker  
515-242-6846  
[robbie.stoecker@iowa.gov](mailto:robbie.stoecker@iowa.gov)



# Time is money

