



Iowa Retirement Investors' Club (RIC) - The State of Iowa 457/401a supplemental retirement savings benefit provides an easy way for you to save a portion of current wages for future income needs. Social Security (SS) and IPERS provide irrevocable income in retirement; RIC is your flexible income safety net. Permanent or probationary State employees working 20+ hours per week or receiving fixed annual salaries are eligible to participate. RIC participants have two plan accounts: a 457 plan to receive employee contributions and a 401a plan to receive employer match contributions. RIC has no vesting requirements.



457 Employee Contribution Account - Contributions to the 457 plan are made through automatic payroll deductions and roll-ins from outside retirement plans (see Roll-ins below) are accepted at any time. The total of all 457 contributions in a tax year must not exceed the IRS declared annual maximum limits. You choose to:

- Contribute up to the [IRS annual limits](#). No minimum required.
- Contribute from 1, 2, or all paychecks in a month or designate an amount for special or final paycheck.
- Make pretax, post-tax Roth contributions, or both.
- Change or stop contributions at any time.

401a Employer Match Account- Employer match contributions are made to the 401a plan. All participants contributing to the 457 plan automatically receive the 401a pretax employer match benefit of up to \$75/month. That's up to \$900/year just for saving your own money for your retirement!

Roll-ins – At any time, you may consolidate retirement assets in RIC. Your RIC 457 account will accept pretax and Roth rollover assets from previous employer 457 plans as well as Roth 401k and 403b plans. Your RIC 401a account will accept rollover assets (tax-deferred only) from plans such as a traditional/rollover IRA, 401k, 403b, 401a etc. Assets rolled into RIC may be rolled out at any time without penalty or restriction. To roll assets into RIC, [contact your RIC provider](#).

Tax Advantages - Tax benefits differ based on the tax treatment of payroll deductions and saver's tax credit eligibility. Contact a tax professional if you have questions about how these tax benefits may affect your specific needs.

- **Pretax 457** deductions are invested before state and federal income tax withholding.
- **Post-tax Roth 457** deductions are invested after taxes are withheld.
- **The Savers' Tax Credit** of up to \$1,000 may be available if you qualify. (see https://das.iowa.gov/saver_credit)

Enrollment (always open) – Review enrollment options and follow the steps below. During the enrollment process, you can also request a roll-in from an outside retirement plan.

Step 1: [Make your 457 plan payroll deduction elections in Workday](#) to start saving and receiving the employer match right away!

Step 2: [Open your 457/401a accounts with one of the RIC providers](#). This step includes designating your beneficiaries and choosing your investments. *Your payroll deductions and employer match contributions will be deposited to the investments you choose. For a list of investments being offered by the providers, see the [RIC-At-A-Glance](#). For additional provider information, go to [Providers & Investments](#).*

Enrollment Options	corebridge financial (formerly AIG)	EMPOWER RETIREMENT	Horace Mann	VOYA FINANCIAL
Online	Enroll online (457/401a)	(Not available)	Enroll online (457/401a)	Enroll online (457/401a)
In person	Shawn.Monahan@corebridgefinancial.com Link to area agent list	IowaRICenrollment@mecatalyst.com Link to area agent list	Robert.Curtis@horacemann.com Link to area agent list	VoyalowaRICInbox@Voya.com Call for agent information
By phone	515-240-1233	833-999-IOWA (4692)	844-895-0980	515-698-7973
Print forms	Print forms (457/401a)	Print forms	Print forms	(Not available)

* Roth earnings are tax-free if a distributable event has occurred, account is held 5+ years and participant is age 59½ or older, disabled, or deceased.

Distributions - A “distributable event” must occur to be eligible for a distribution.

Event	Description	Requirements
Unforeseeable emergency withdrawal	In-service distribution of 457 assets due to a qualified unforeseeable emergency , such as home foreclosure or uninsured medical bills	Complete the Unforeseeable Emergency Withdrawal form.
Cash out	In-service distribution of inactive small balance 457 accounts	Requires there have been no RIC contributions in the previous 24 months and total 457 assets = \$5,000 or less. Contact RIC to request this type of distribution.
Age 70 ½⁺	In-service distributions of 457/401a assets due to attainment of age 70 ½	Distributions are allowed but not required. Contact RIC to request this type of distribution.
Separation from employment	No distribution is required until required beginning date . 457/401a assets are available for distribution in a wide variety of payment options.	Contact your RIC provider to request this type of distribution. Employer/RIC approval is not required.




Distribution Requests- Once separated from employment, you may request distributions directly from your RIC provider (exception-IPERS service credit purchase**). RIC active provider products have no surrender penalties or restrictions.

Options at separation from employment - You are not required to begin distributions until you reach your [IRS required beginning date](#). No contributions can be made after separation from employment.

- Stay invested and take cash when you need it. Change investments, providers, advisors, etc. at any time.
- Take lump sum payments as needed (no maximums).
- Set up systematic payments. You choose the payment amount and frequency (change or stop at any time).
- Purchase a lifetime income annuity based on your life expectancy (irrevocable).
- Rollover to an outside retirement account (or roll money into RIC).
- Purchase IPERS service credits** (non-taxable transfer).
- Choose any combination of options.

Tax Treatment of Distributions -

Taxation of distributions differs based on the tax-treatment of contributions.

 Pretax Distributions	 Post-tax Roth Distributions	 Pretax Distributions
Taxed as ordinary income	Tax-free if qualified*	Taxed as ordinary income
<i>457 distributions have no IRS early withdrawal penalty</i>		<i>Possible IRS 10% penalty prior to age 59½</i>

Program Education - RIC presentations provide an overview of the features and benefits of the program as well as information about how to best utilize your RIC plan benefits as a pre-retiree and know what options are available to you in retirement. You may register to attend a [live webinar](#) given monthly or view a [recorded presentation](#).

For more information: visit [RIC](#), call RIC at 866-460-4692, or call your [RIC provider/advisor](#).

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** If you are eligible to purchase IPERS service credits and wish to make a non-taxable transfer of RIC 457/401a pretax assets to IPERS, contact IPERS at 800-622-3849 or Info@ipers.org to determine eligibility and cost to purchase. If you wish to make a purchase, send the IPERS form to [RIC](#) for approval.