



Jefferson County  
Health Center



Iowa  
**Retirement Investors' Club (RIC)**  
*Looking forward to retirement!*



**Get to know your retirement savings benefits**

# Welcome



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**Retirement Investors' Club (RIC)**  
*Looking forward to retirement!*

Your employer takes your retirement readiness seriously and partners with the Iowa Retirement Investors' Club (RIC) to provide a voluntary retirement savings benefit.



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*Looking forward to retirement!*

Your employer takes your retirement readiness seriously and partners with the Iowa Retirement Investors' Club (RIC) to provide a voluntary retirement savings benefit.

This benefit allows you to set aside a portion of today's wages for a time in the future when you want or need to retire.



- **Purpose**
- **Contributions/roll-ins**
- **Investments**
- **Changes/distributions**
- **Enrollment & resources**





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- Contributions/roll-ins
- Investments
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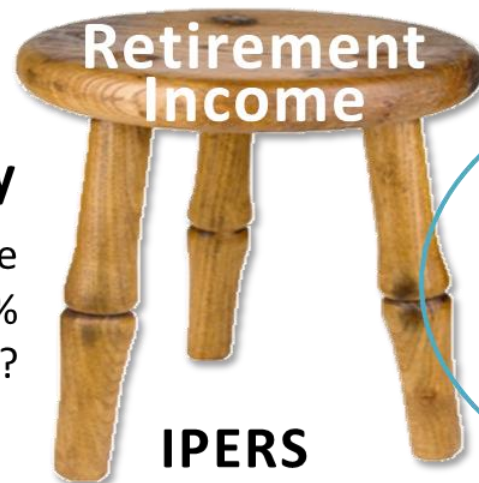
# Purpose

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## Social Security

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

## IPERS

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

**No COLA!**

## Personal Savings (RIC)

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

# Purpose

Supplemental retirement savings plans are



*One part of your future you CAN control!*





# Purpose

Future uncertainties you CAN'T control:

- Social Security income replacement
- Pension income replacement
- Healthcare costs
- Inflation
- Taxes
- Health
- Employment
- Death



# Purpose

You CAN control *how you prepare* to handle these things. The RIC 457 benefit gives you the opportunity to

**personally and positively affect your options at retirement.**



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- Access to competitive investment options to take you to and through retirement at little to no cost
- Income safety net in retirement



- Purpose
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# Contributions (employee)

Participants in RIC have 2 accounts.





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- 457 plan employee contribution account



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- 457 plan employee contribution account
- 401a companion plan



# Contributions



- Minimum contribution is \$25/month
- Payroll deductions are deposited into your selection of RIC investments in a 457 account
- Deductions may be changed or stopped at anytime

# Contributions (limits)

The total of all contributions (pretax and/or post-tax) made to the 457 account in a tax year must not exceed the IRS annual maximum limits.



IRS 457 Annual Maximum Contribution Limits		2017	2018
<b>Regular</b>	100% of compensation up to:	<b>\$18,000</b>	<b>\$18,500</b>
<b>Age 50+</b>	The regular limit + \$6,000:	<b>\$24,000</b>	<b>\$24,500</b>

457 contributions do not reduce Social Security & IPERS benefits.



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**3-Year Catch-Up Limit:** Must have missed contributions and be within 4 years of normal retirement.

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<b>Age 50+</b>	The regular limit + \$6,000:	<b>\$24,000</b>	<b>\$24,500</b>
<b>3-Year Catch-up</b>	Up to twice the regular limit	<b>\$36,000</b>	<b>\$37,000</b>

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# Contributions (types)

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



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

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	Pretax
Tax treatment of <i>deductions</i>	No withholding
Immediate tax benefit	Lower taxable income
Tax treatment of <i>earnings</i>	Tax-deferred until withdrawn
Consideration	Possibility of lower tax rate in retirement

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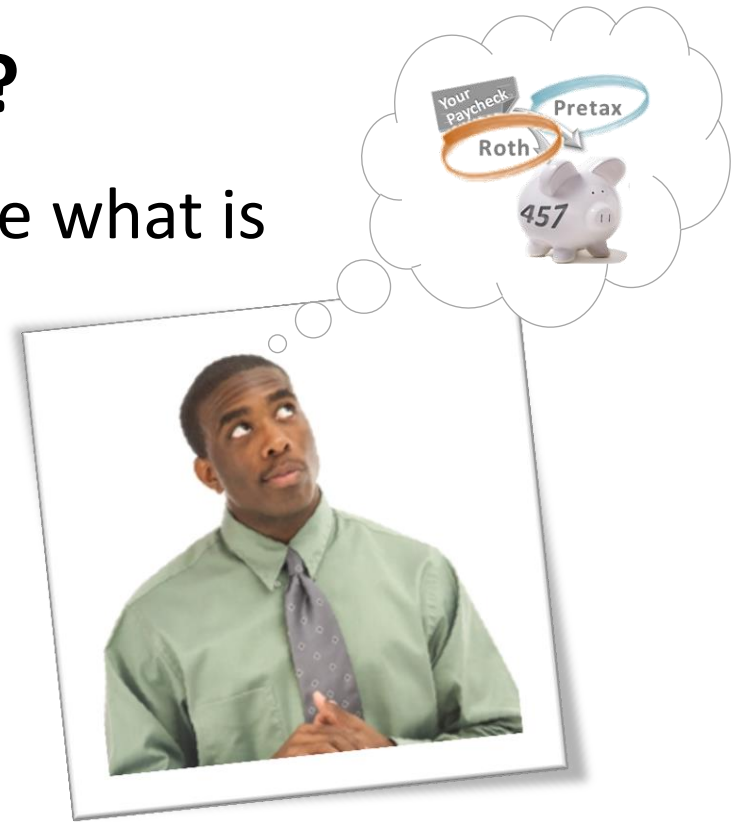
	Pretax	Post-tax Roth
Tax treatment of <i>deductions</i>	No withholding	Regular income tax withholding
Immediate tax benefit	Lower taxable income	None
Tax treatment of <i>earnings</i>	Tax-deferred until withdrawn	Tax-free for qualified distributions
Consideration	Possibility of lower tax rate in retirement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



# Contributions (types)

## Which option is right for me?

A number of factors may influence what is right for you:

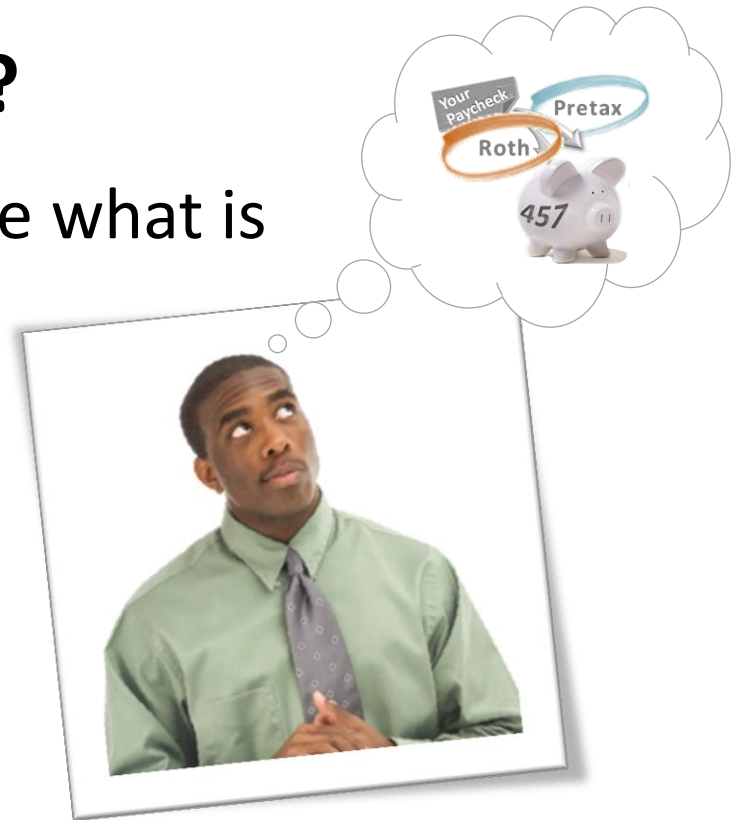


# Contributions (types)

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- Age/years to retirement
- Current tax rate/need for tax relief
- Projected tax rate at retirement
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- Projected earnings

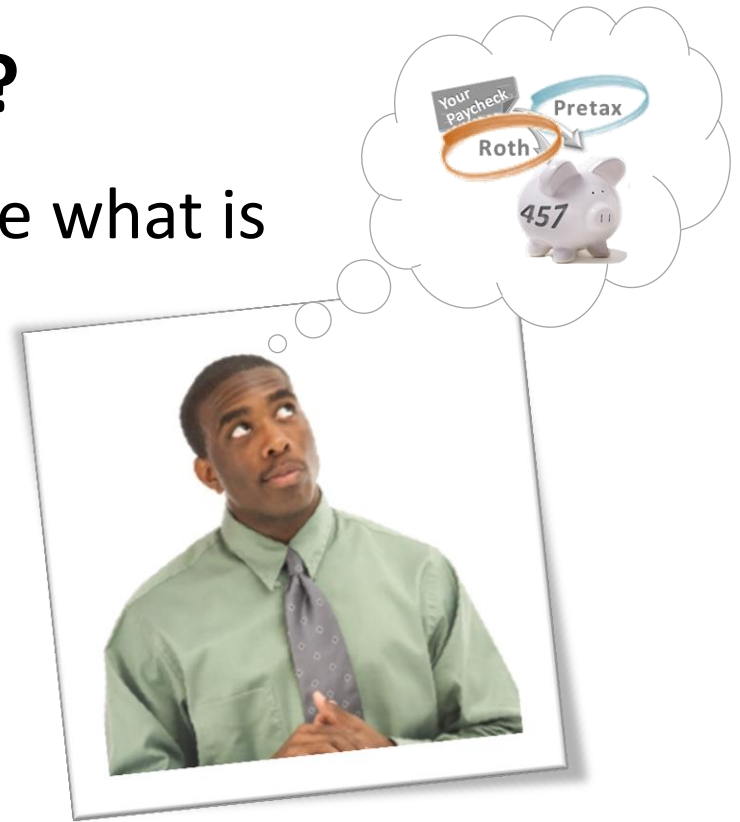


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Schedule a meeting with your financial advisor or tax professional if you have questions.

# Contributions

## Roth 457 vs. Roth IRA

	Type of Roth	Funding Source	Income Limits	Contribution Limits	RMD at 70 ½
Employer-sponsored plan	 Roth 457	Payroll deductions only	None	\$18,000 \$24,000 \$36,000	Yes
Individual retirement account	 Roth IRA	Checking, savings, etc.	Yes	\$5,500 \$6,500	No

# Contributions (tax credit)

## Savers Tax Credit

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





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You may be qualified to receive **up to a \$1,000 credit** against taxes owed if your adjusted gross income does not exceed limits shown here.

	2017	2018
Filing jointly	\$62,000	\$63,000
Filing single	\$31,000	\$31,000
Filing Head of household	\$46,500	\$47,250

# **Participation** (roll-ins)

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



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

# Participation (roll-ins)

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



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

- Purpose
- Contributions/roll-ins
- **Investments**
- Changes/distributions
- Enrollment & resources





# Please note:

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- **Mass Mutual** 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.



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**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



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MassMutual offers 2 basic types of investments.





# Investments



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## Fixed Interest



- Fixed rate
- Fixed period
- Guaranteed by provider
- No market risk
- No transfer restrictions
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## Mutual Funds

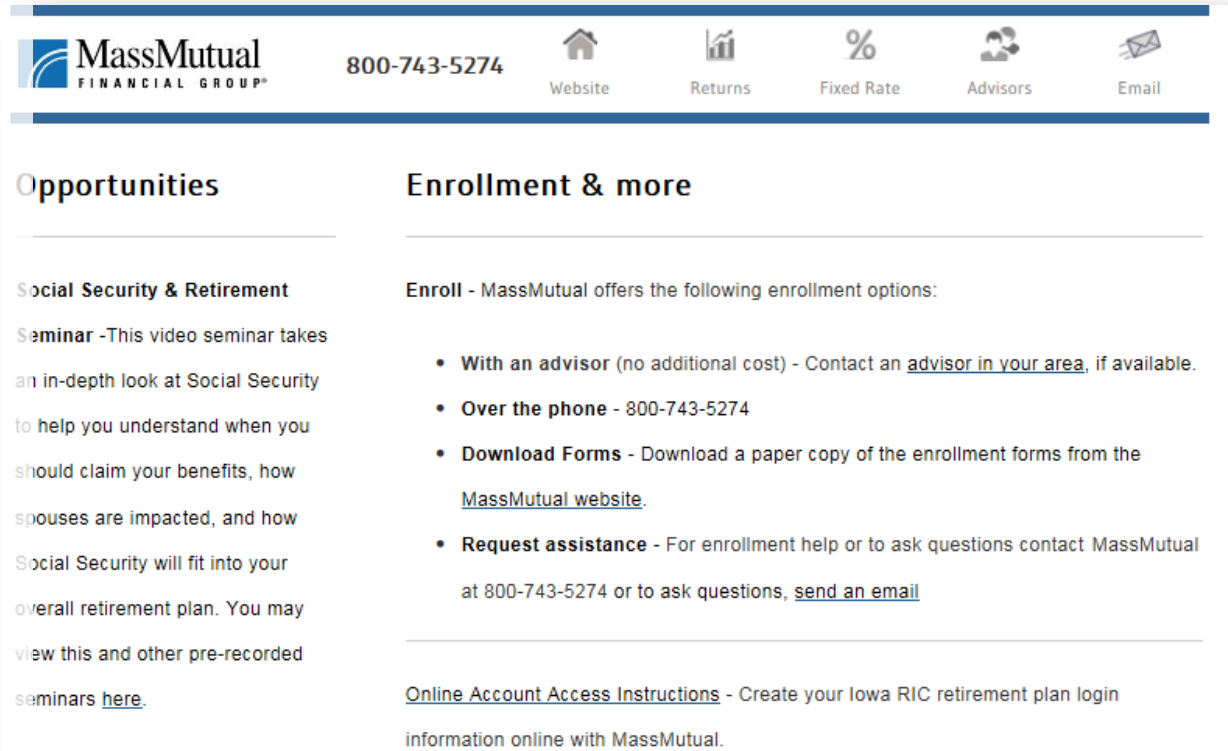


- Variable rates
- No sales loads
- No guarantees
- Degrees of market risk
- No transfer restrictions
- No surrender charges
- Fund management fees

Total fee range - .04% - 1.10%.

# Investments

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



The screenshot shows the top portion of the MassMutual website. At the top left is the MassMutual logo with the text "MassMutual FINANCIAL GROUP". To the right of the logo is the phone number "800-743-5274". Further right is a navigation bar with five icons and labels: a house icon for "Website", a bar chart icon for "Returns", a percentage sign icon for "Fixed Rate", a group of people icon for "Advisors", and an envelope icon for "Email". Below the navigation bar, there are two main sections: "Opportunities" and "Enrollment & more".

**Opportunities**

**Social Security & Retirement Seminar** - This video seminar takes an in-depth look at Social Security to help you understand when you should claim your benefits, how spouses are impacted, and how Social Security will fit into your overall retirement plan. You may view this and other pre-recorded seminars [here](#).

**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](#).
- **Request assistance** - For enrollment help or to ask questions contact MassMutual at 800-743-5274 or to ask questions, [send an email](#)

[Online Account Access Instructions](#) - Create your Iowa RIC retirement plan login information online with MassMutual.

# Investments

## How do I invest?

Everyone is different. Your investment mix and potential for earnings largely depends on your:

- Risk tolerance
- Timeframe for investment



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## How do I invest?

Everyone is different. Your investment mix and potential for earnings largely depends on your:

- Risk tolerance
- Timeframe for investment

An advisor can help you determine your investment style and explain the investments so you can make an informed decision.





# Investments

Here are a few examples of what RIC savers are able to do.



“I want to meet with a local advisor at no extra cost.”



“I want to change my funds online without transfer fees.”



“I don't need an advisor; I pick my own investments.”



“I want to trade stocks and bonds.”



“I want fixed rates, with no market risk, fees, or restrictions.”



“I want aggressive growth funds at low cost.”



“I want access to no-load funds like Vanguard.”

- Purpose
- Contributions/roll-ins
- Investments
- **Changes/distributions**
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# Changes (payroll deductions)

**Payroll deduction** change requests (amount & taxation) for existing accounts are made by completing the *RIC Account Form* and submitting it to Human Resources.

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

Iowa Retirement Investors' Club (RIC) 457/401a Plans Look forward to retirement!		Jefferson County Health Center RIC Account Form		Jefferson County Health Center	
Personal information	Name _____ Social Security # _____				
	Address _____ City _____ State _____ Zip _____				
	Birth Date _____ Telephone (daytime) _____ Telephone (home) _____				
457 Payroll Deduction	Designate the deduction amount to send to your provider. The combined amount of all 457 contributions in a tax year is limited to the IRS annually declared maximum contribution limits.			Effective date. Deduction changes will take effect the month after your request is received. You may elect a future date or specify a single check below.	
	Pretax _____ Roth (post-tax) _____	Future effective date _____		<input type="checkbox"/> Beginning of _____ (check date)	
Participant Signature	MassMutual \$ _____ /check \$ _____ /check _____		<input type="checkbox"/> check on _____ (check date)		
			<input type="checkbox"/> Final check _____ (check date)		
Form Submission	I authorize my employer to direct my contributions and make payroll deductions as indicated above. I understand and agree to the terms and conditions of the Iowa Retirement Investors' Club (RIC). I have access to a RIC At-A-Glance and Plan Document. I have established 457 and 401a accounts with one of the RIC providers. I understand that withdrawals may only be made upon termination of employment or qualification for an in-service distribution. I understand that the total of all 457 contributions made in the calendar year may not exceed the federal limits as required by the Internal Revenue Code section 457b.				
	New Accounts: _____		Provider account forms: Forward to the provider RIC Account Form: Forward to your payroll office		
Changes to Existing Accounts: _____		Forward this form to your payroll office (shown below)			
Agent Use Only (Not required for existing accounts) I am authorized to open accounts for this employee and verify that he/she has established 457/401a accounts with the provider shown below.					
Print Agent Name _____		Agent Signature _____		Agent Phone Number _____	
Payroll Office		Date Received: _____		Paycheck Effective Date: _____ Name: _____	
RIC Use Only		Date Pended: _____		Entered: _____ Checked: _____	
Visit the RIC website at <a href="https://das.iowa.gov/RIC">https://das.iowa.gov/RIC</a> to access the RIC At-A-Glance (under Providers & Investments), IRS maximum contribution limits, and other plan options specific to the Iowa RIC 457/401a plans.					
Jefferson County Health Center 2000 S. Main Street • Fairfield, Iowa 52556 • Phone: (641) 469-4302 • Fax: (641) 469-4375 Iowa Retirement Investors' Club (RIC) • 866-460-4692 (toll free) • <a href="https://das.iowa.gov/RIC">https://das.iowa.gov/RIC</a>					

# Changes (account preferences)

## Other changes

Your RIC accounts are designed to provide flexible benefits throughout your saving and retirement years.

Simply contact your RIC provider to make changes to:



- Personal information
- Beneficiaries
- Investment selections (online access available)
- Direction of future contributions



# Changes (investments)

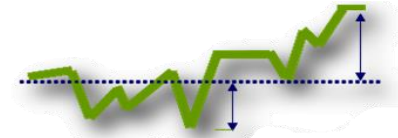
Conservative investor



Moderate investor



Aggressive investor



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Risk tolerance and savings goals will likely change over time. Your portfolio may also need to change. Ask an advisor to help.





# Changes (investments)

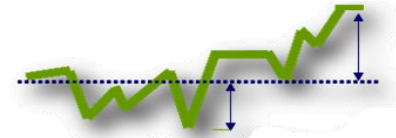
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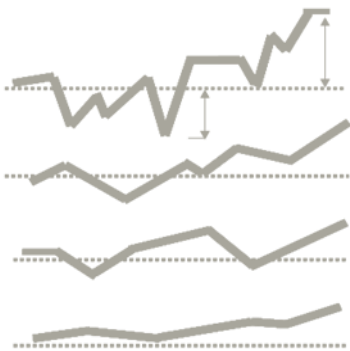
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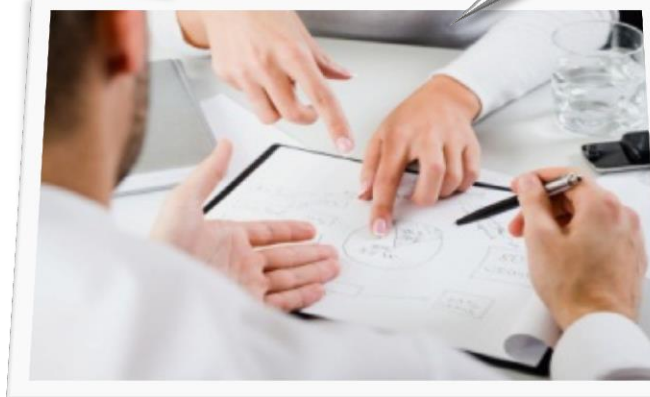
**Periodic reviews** can help you evaluate your investment mix, understand the risks associated with each investment, and make changes (if needed).

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



# Distributions (in-service)

**While you are working**, options to take money out of RIC are limited.

A “**distributable event**” must occur to be eligible.



In-service distribution requests are processed by RIC.

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**While you are working**, options to take money out of RIC are limited.

A “**distributable event**” must occur to be eligible.

- Unforeseeable emergency
- Cash out (small inactive accounts)
- Attainment of age 70 ½



In-service distribution requests are processed by RIC.

# Distributions (in-service)

## Unforeseeable Emergency Withdrawal

If you experience a financial hardship, you may qualify to receive an in-service distribution.



In-service distribution requests are processed by RIC.



# Distributions (in-service)

## Unforeseeable Emergency Withdrawal

If you experience a financial hardship, you may qualify to receive an in-service distribution.

- Strict federal guidelines
- 457 assets only may be available for:
  - Funeral expenses (legal dependent)
  - Foreclosure of or eviction
  - Loss of wages
  - Uninsured medical expenses

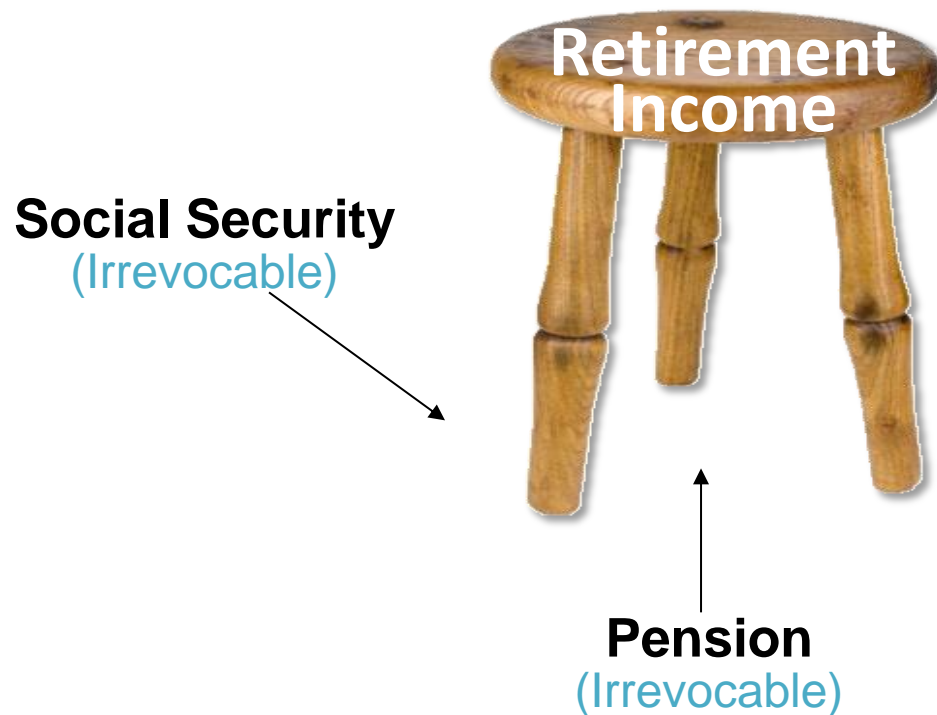


Not available for bankruptcy or divorce

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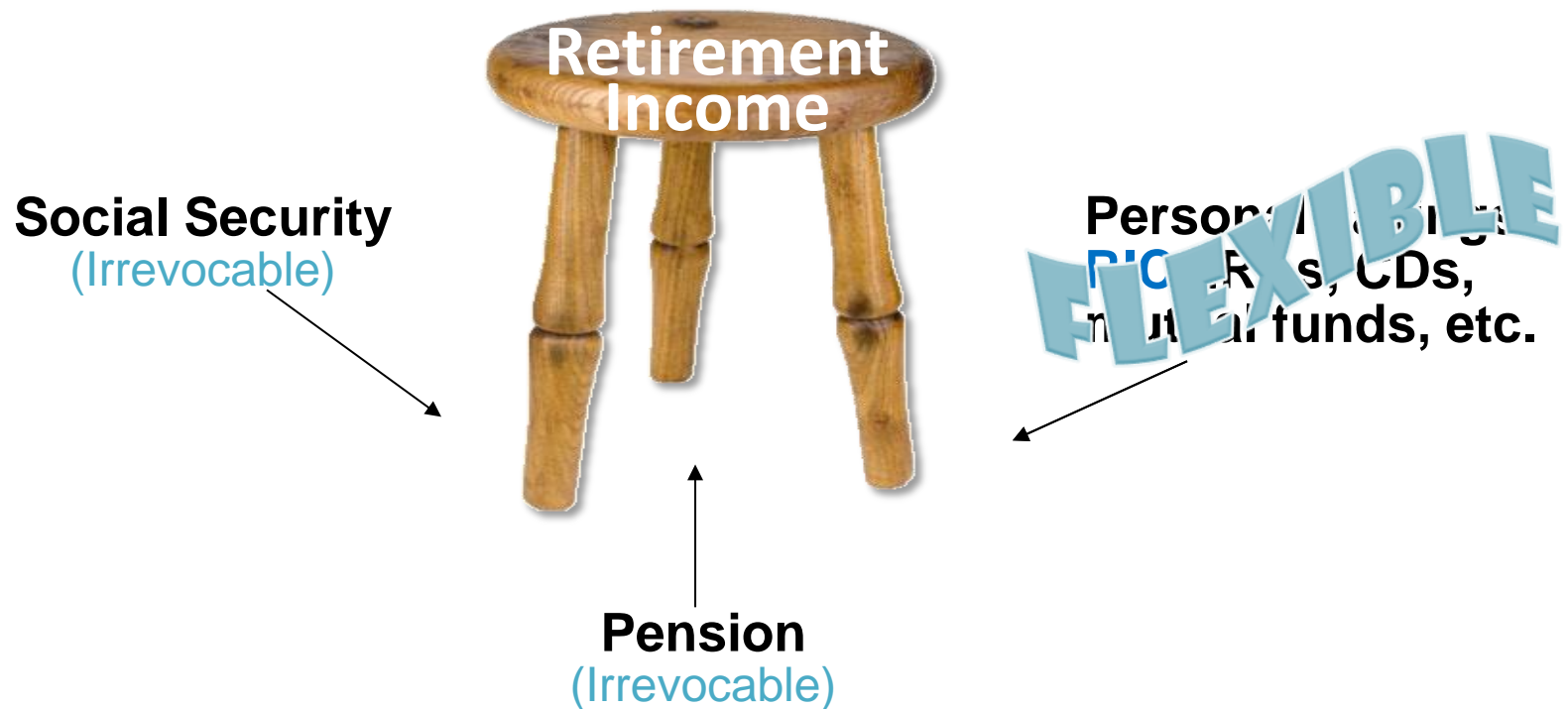
# Distributions (separated from employment)

**In retirement,** RIC is the your flexible source of income.



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# Distributions (separated from employment)

You choose how and when you want your money.



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You choose how and when you want your money.

- Leave assets invested\*



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



# 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



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- Roll to another eligible plan (IPERS purchase)



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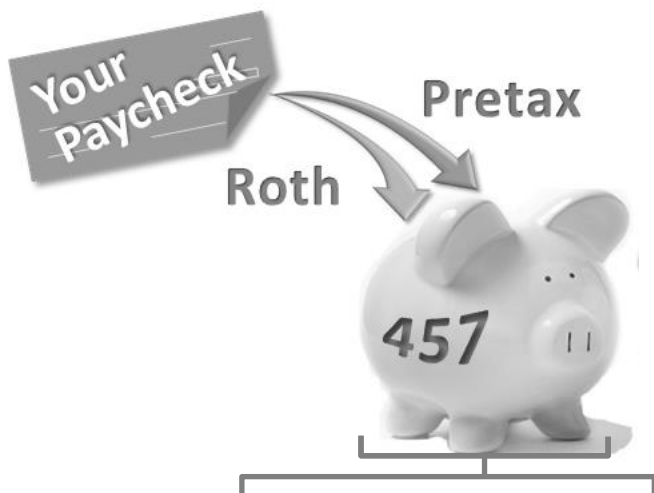


*Distribution requests are made directly to your provider.  
Employer authorization is not required.*

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

# Distributions (taxes)

**Tax treatment of distributions differs** depending on the taxation of contributions.

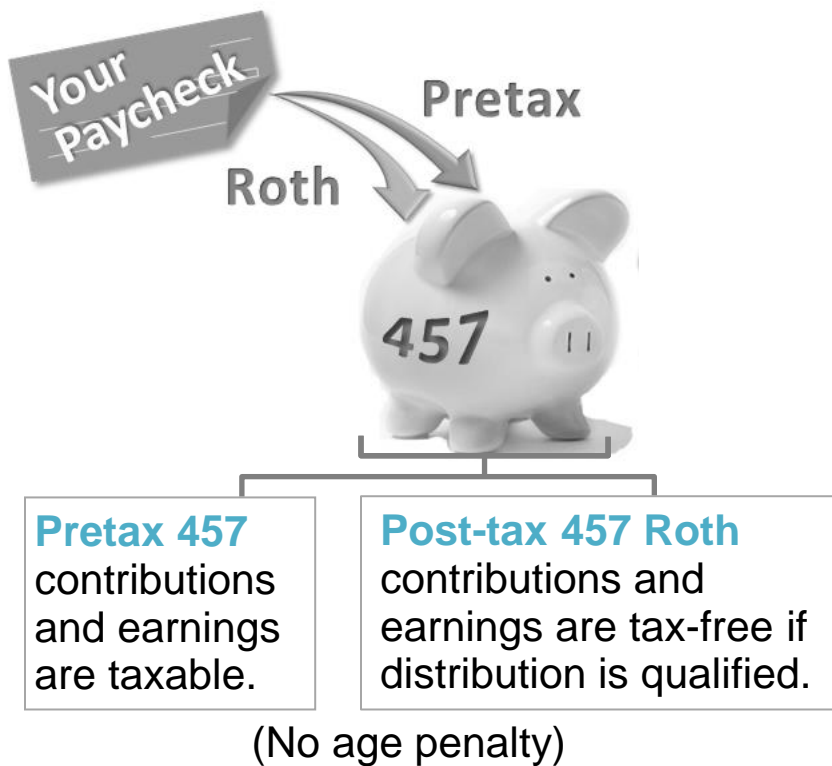


**Pretax 457**  
contributions  
and earnings  
are taxable.



# Distributions (taxes)

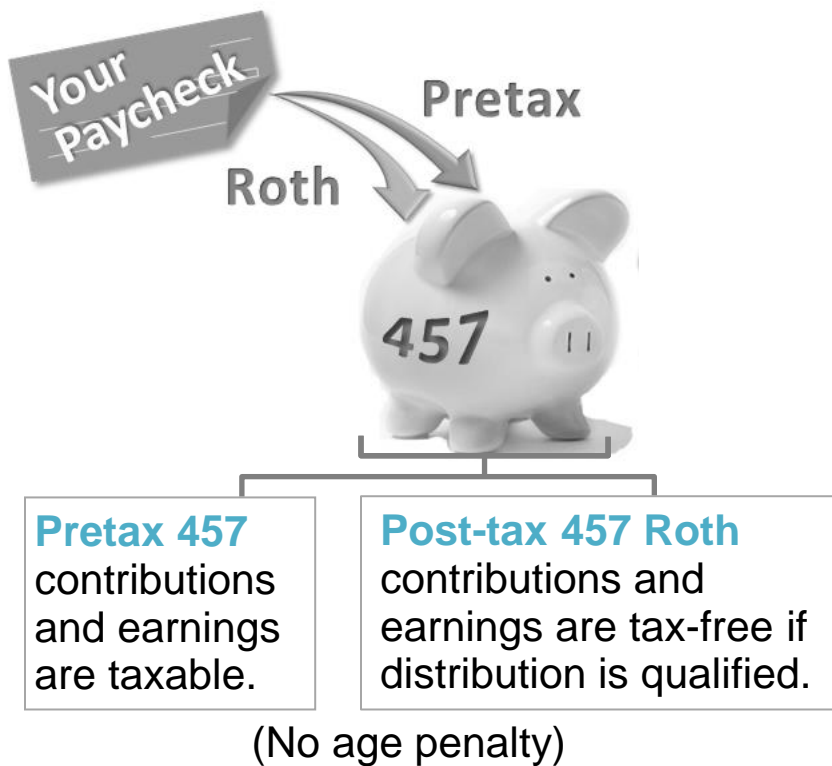
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# Distributions (taxes)

**Tax treatment of distributions differs** depending on the taxation of contributions.



## Qualified Roth Distribution:

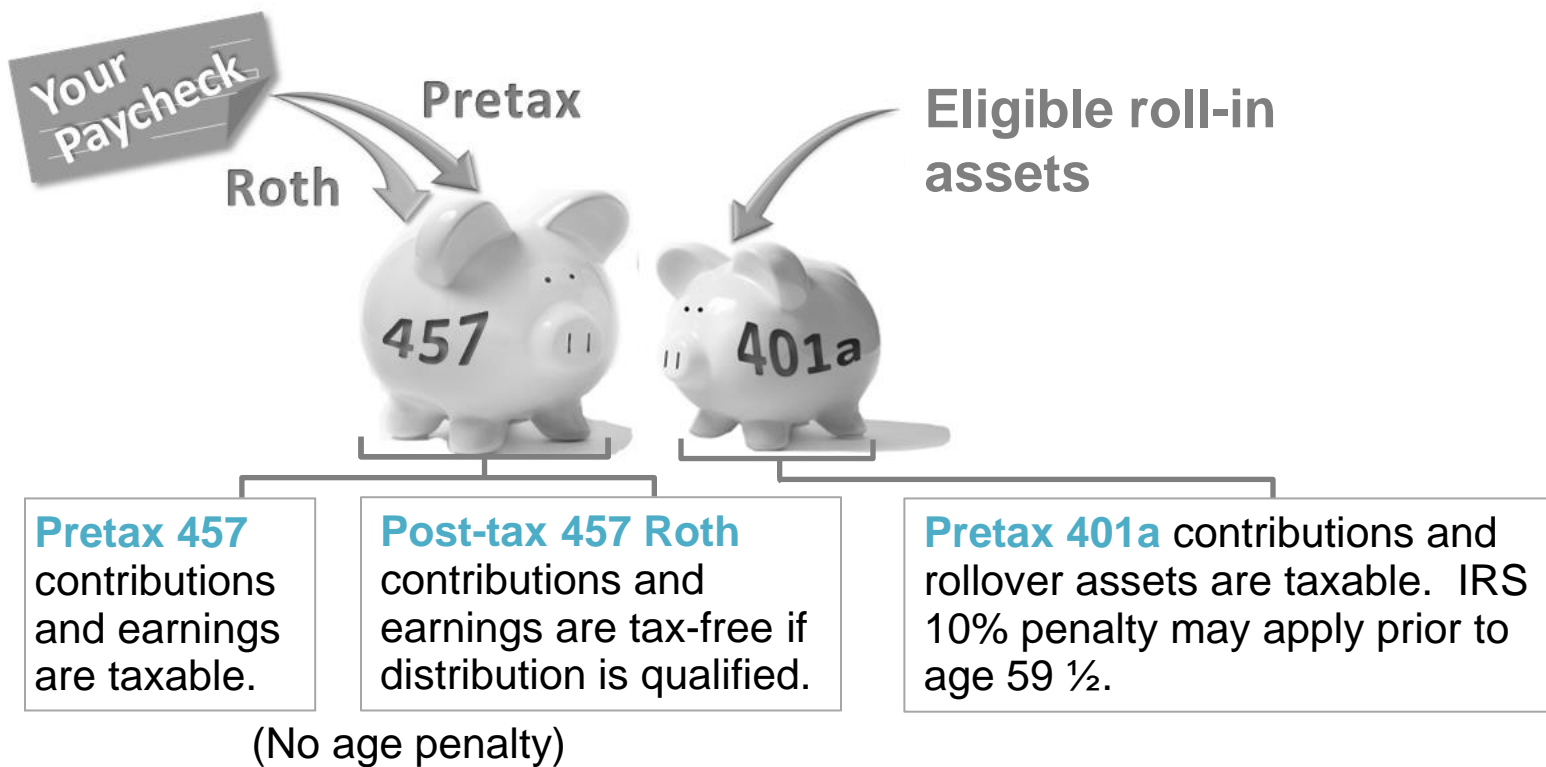
Roth earnings are tax-free if:

- Distributable event has occurred ;
- Roth account open for 5+ years;
- You are age 59 ½+ or disabled

*Non-qualified Roth distributions subject to taxation of earnings portion of the distributed amount.*

# Distributions (taxes)

**Tax treatment of distributions differs** depending on the taxation of contributions.



# Distributions (IPERS purchase)

## Service Credit Purchase

Once you file for IPERS benefits, you may purchase service credits with both pretax 457 and 401a assets.



- Purpose
- Contributions/roll-ins
- Investments
- Changes/distributions
- **Enrollment & resources**



# Enrollment

## Enrollment is always open

MassMutual has everything you need to open your accounts and start payroll deductions.

Representatives are ready to help you!



In person *(request meeting)*



Over the phone



Print forms



Request information

Access enrollment options at <https://das.iowa.gov/RIC/PSE/JCHC> .



You can't save  
**for** retirement  
**in** retirement!

*Time is money.  
Enroll today!*



# Time is money

Beth age 21  
begins to  
contribute  
\$3,000/yr



# Time is money

**Beth age 21**  
begins to  
contribute  
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**Beth age 36**  
stops saving (total  
contributions \$45,000  
over 15 years)



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**Stuart age 36**  
begins to contribute  
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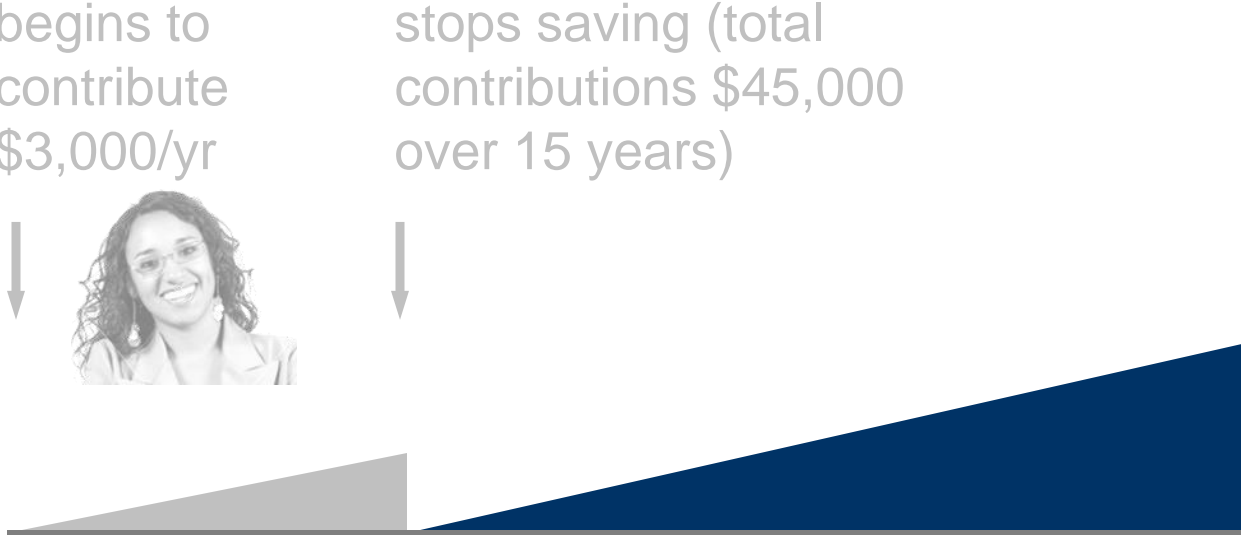


# Time is money

Beth age 21  
begins to  
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Beth age 36  
stops saving (total  
contributions \$45,000  
over 15 years)



**Stuart age 36**  
begins to contribute  
\$3,000/yr



**Stuart age 65**  
stops saving (total of  
\$87,000 over 29 years)





# Time is money

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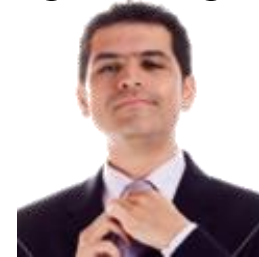
average 8% earnings rate

Stuart age 36  
begins to contribute  
\$3,000/yr



Stuart age 65  
stops saving (total of  
\$87,000 over 29 years)

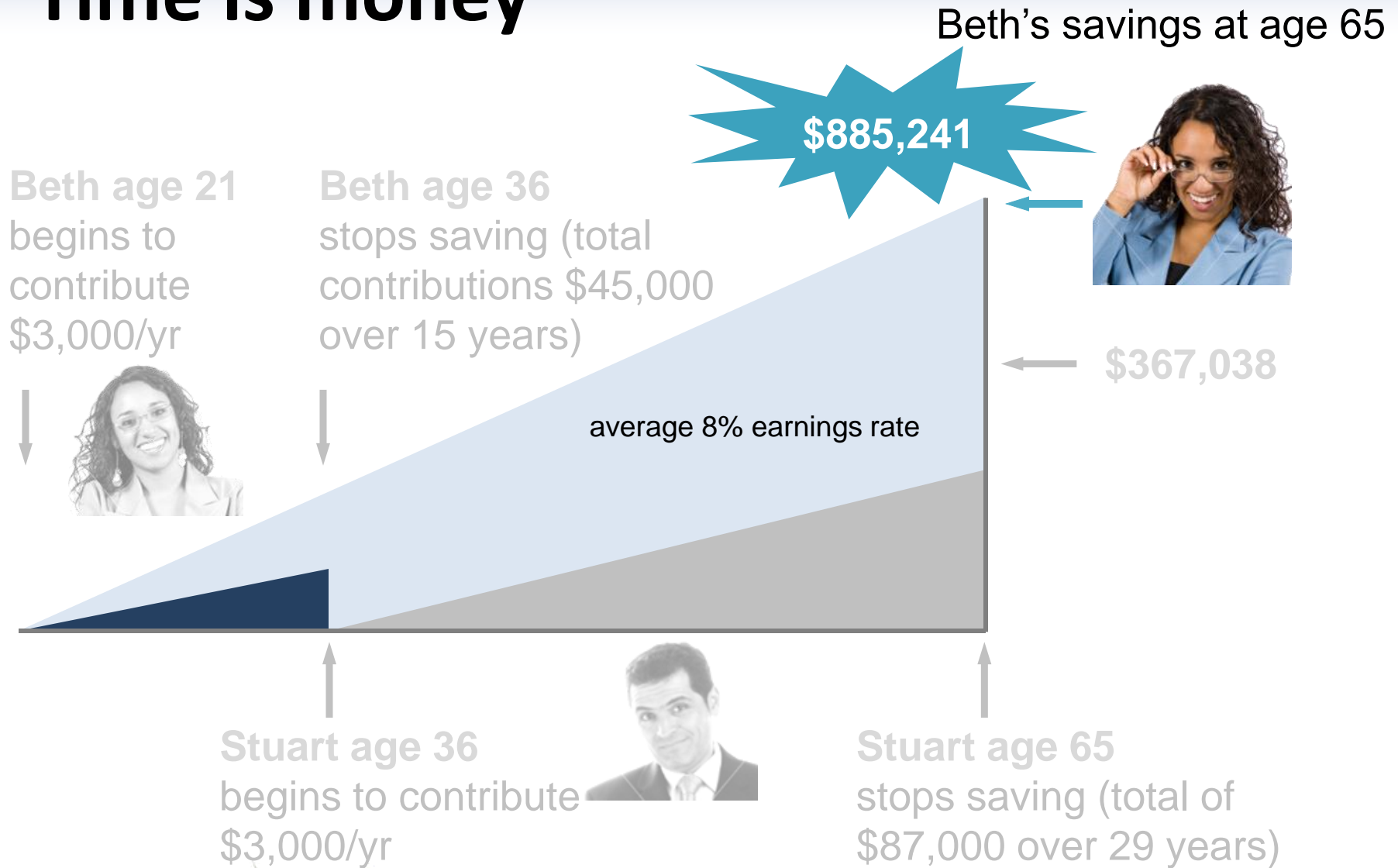
Stuart's retirement  
savings at age 65



**\$367,038**



# Time is money



# Resources



## Access your plan details

[https://das.iowa.gov/RIC/PSE/plan\\_details](https://das.iowa.gov/RIC/PSE/plan_details)

## Visit the RIC website

<https://das.iowa.gov/RIC/PSE> for additional information such as:

Jefferson County Health Center

 2000 South Main Street  
Fairfield, IA 52556  
Phone: 641-472-4111 / Fax: 641-469-4375



Plan details specific to the Jefferson County Health C. 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 today by contacting Joe any RIC MassMutual advisor ([advisor listing](#)).

Eligibility	Contributions	Investments	Payroll deduction changes
All employees are eligible to participate.	<b>Limits:</b> Min = \$25/mo, max = <a href="#">IRS annual limits</a> <b>Types:</b> Pretax and Roth <b>Catch-up</b> - The <a href="#">3-Year Catch-Up</a> benefit allows qualified participants to contribute over the <a href="#">Age 50+ limit</a> . To find out if you qualify, <a href="#">request a 3-year catch-up worksheet</a> .	<a href="#">MassMutual</a> / 800-743-5274 Your provider offers attractive investment options and services and assists employees with enrollment and account reviews. A list of fund options by investment category is available in the <a href="#">RIC At-A-Glance</a> por.	You may request a change to your existing payroll deduction amount at any time by completing <a href="#">Jefferson County Health Center RIC Account Form</a> por and forwarding it to your payroll office.

- Contribution limits
- Provider information
- Distribution options
- Fixed rates,
- Fund performance
- And much more

**Questions?**

