



CITY OF *Los Angeles*

DEFERRED COMPENSATION PLAN

DESTINATION: RETIREMENT

The Deferred Compensation Plan is one of the most valuable employment benefits available to you as a City employee.

The Plan is a voluntary program that allows you to contribute a portion of your paycheck to supplement your existing retirement benefit from LACERS, Fire and Police Pensions, or DWP Retirement. It can help you meet two important objectives:

- ✓ **Potentially improve financial security**
- ✓ **Potentially create financial opportunity**

Financial security comes from having the resources to meet your current and future needs. Financial opportunity comes from having the resources to imagine new possibilities for yourself.

THE PROGRAM IS VERY SIMPLE:

- ✓ **Set money aside from your paycheck**
- ✓ **Potentially accumulate a nest egg from which you draw after you retire**

Everything you accumulate in your account belongs to you. You can borrow from your account as you go along. And you have local counselors to assist you with information on all of the investment choices the Plan offers.

How much of your pay will you need to replace when you retire:

70%, 90%, 100% or more? Find out how the Deferred Compensation Plan can help you discover and potentially reach your target income replacement number.

KEY BENEFITS

TAX-ADVANTAGED SAVING

Save with pre-tax dollars and defer taxation until you start withdrawals; and/or save with after-tax dollars and never pay taxes on what you earn (assuming you meet holding and distribution requirements). Both approaches are tax-advantaged!

LOCAL COUNSELORS YOU CAN TRUST

The City uses a third-party administrator to provide Plan services, including local counseling.

REASONABLE AND COMPETITIVE FEES

The City works hard to ensure that costs are reasonable and fully disclosed. With \$4 billion in assets, we are able to negotiate extremely competitive investment and administrative costs, and there are NO sales costs associated with any of the Plan's core investment options.

BORROW FROM YOUR ACCOUNT

Once you reach a balance of \$2,000 or more, you can borrow a portion from your account for any reason. When you pay yourself back, all interest goes to your account!

YOUR ACCOUNT BELONGS TO YOU

All Plan assets are held in a special trust for the exclusive benefit of participants and their beneficiaries.

INVESTMENT CHOICES TO MEET YOUR NEEDS

From savings options for conservative investors to stock and bond mutual funds for more aggressive investors, the Plan offers choices for all investor types.

**Personnel Department
Employee Benefits Division**

200 N. Spring Street
Room 867
Los Angeles, CA 90012
(844) 523-2457

Office Hours:
Monday – Friday
8:00 a.m. – 4:00 p.m.

www.LA457.com¹

**NEED HELP?
HAVE QUESTIONS?**

For more information, visit
www.LA457.com or
call (844) 523-2457.²

You may also visit a local
representative at **City Hall,**
200 N. Spring Street, Room 867,
during the office hours of
Monday through Friday,
8:00 a.m. to 4:00 p.m.



Six Simple Steps to Consider

- USE OUR RETIREMENT INCOME PROJECTION CALCULATOR TO DETERMINE HOW MUCH YOU MAY NEED TO REACH YOUR RETIREMENT GOALS. TO ACCESS THIS CALCULATOR, LOG IN TO THE WEBSITE AT www.LA457.com.
- ESTABLISH PRE-TAX AND/OR AFTER-TAX SAVINGS ACCOUNTS – BOTH HAVE TAX-ADVANTAGED FEATURES AND WILL GIVE YOU OPTIONS WHEN YOU RETIRE.
- CONTRIBUTE AN AMOUNT THAT FEELS COMFORTABLE, GRADUALLY INCREASING IT OVER TIME.
- INVEST AT WHATEVER RISK LEVEL IS RIGHT FOR YOU.
- ONCE YOU RETIRE, WITHDRAW THE FUNDS GRADUALLY TO SUPPLEMENT YOUR CITY PENSION.
- MAINTAIN AND UPDATE YOUR BENEFICIARY INFORMATION.