

DEFERRED COMPENSATION PLAN

1. Question: If I'm a member of the Deferred Compensation Plan, what are my options for taking distribution from my account upon separation from service?

Answer: You have several options: (1) make a withdrawal from your account; (2) transfer or "roll over" your account to an Individual Retirement Account (IRA) or another employer's pre-tax retirement savings plan; or (3) simply leave your account in the Plan where it will continue to grow.

2. Question: If I make a withdrawal, what are my options for doing so?

Answer: You have the options of taking (1) a full withdrawal of your entire account balance; (2) a partial withdrawal of an amount you designate; or (3) systematic withdrawals based on a specific schedule you set up.

3. Question: Do I pay a penalty for making withdrawals before a certain age?

Answer: No. Although distributions are treated as taxable income, unlike IRAs or private sector retirement plans there are no penalties for taking withdrawals from the City's Internal Revenue Code Section 457 Plan. You can withdraw funds at any age without penalty.

4. Question: How do I take distribution?

Answer: Contact the Deferred Compensation Plan administrator, Great-West Retirement Services, at (888) 457-9460 to request the form and information guide for taking distributions. You are also able to obtain this information by going to the Plan website at www.cityofla457.com or visiting the local Plan service center at City Hall, 200 N. Spring Street #867, Los Angeles CA 90012, Monday-Friday, between the hours of 8:30 a.m. - 5:00 p.m.

5. Question: How would I transfer my account to an IRA or different employer's plan?

Answer: Contact Great-West as indicated above. A single form is used for transfers as well as distributions.

6. Question: If I just want to leave my account in the Plan, is there anything I need to do?

Answer: There is nothing you need to do. You can leave your account in the Plan until you reach the age of 70 ½, at which time you are required to begin taking distribution.

7. Question: If I leave my account in the Plan, do my funds remain invested? Can I make changes?

Answer: Your funds will continue to remain invested based on your investment instructions. In addition, you are free to make changes to your investments as often as you wish.

8. Question: What happens if I have a loan from my account at the time of my separation?

Answer: You have the following options: (1) continue to make payments on your loan; (2) pay off your loan; or (3) default on your loan payment (this will not impact your credit rating), which means that the outstanding amount of the balance at time of default will be reported to the Federal government as a taxable distribution.

Local Service Center

City Hall
200 North Spring Street
Room 867 (Benefits Office)
Los Angeles, CA 90012
8:30 a.m.-5:00 p.m. Monday thru Friday

Website

www.cityofla457.com

KeyTalk®

(888) 457-9460