



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

CONTACT US

- Have questions? Give us a call.
- 877-644-6457
- Fax: 614-222-9457
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Frequently Asked Questions

About the Program

What is a 457(b) deferred compensation plan?

A governmental 457(b) deferred compensation plan is a voluntary retirement savings plan that allows participants to supplement any existing retirement/pension benefit by saving and investing pre-tax dollars through payroll deferrals. Contributions and any earnings are tax-deferred (both federal and state income taxes) until money is withdrawn. The number 457 refers to the section of the federal Internal Revenue Code that establishes deferred compensation plan rules.

With a 457(b) plan like Ohio Deferred Compensation, you can put some of your taxes on hold by reducing the amount of taxes withheld from your pay. Withdrawals are taxed at ordinary income rates. Please keep in mind that due to IRS regulations, you normally cannot withdraw your retirement savings from the Program until you have terminated employment or qualify for an unforeseeable emergency.

You can receive a small balance distribution (\$5,000 or less) if you have stopped deferring for at least two years, but are still a public employee. However, once you do this, you can never take another small balance distribution.

Who is eligible to enroll?

Any public employee who is eligible for membership in one of the State's statutory retirement systems (including the City of Cincinnati retirement system) is eligible to enroll.

Why should I enroll in the Program?

As a supplement to other retirement benefits or savings you may have, this voluntary program allows you to save and invest extra money, tax-deferred, for retirement. Please check out our [Enrollment](#) section for more benefits and enrollment information, including the easy methods of enrolling. Certain employees of public schools will also learn the benefits of having both a 403(b) and 457(b) plan—they can participate in both!

How are the Program's assets protected from bankruptcy?

Your Ohio Deferred Compensation account is protected from personal bankruptcy, as are most retirement plans.

In addition, all assets are held in trust by the Board on behalf of your employer for the exclusive benefit of Program participants and their beneficiaries. This means that Program assets are not subject to the claims of your employer's creditors in the event of your employer's bankruptcy.

Does participation in the Program affect my pension or reduce my pension or retirement benefits?

No. This is a supplemental plan that does not replace or reduce your pension and/or retirement benefits.

What are the minimum and maximum contribution amounts?

There is no minimum per pay. You can find more information in the [Resources](#) section.

There are also two different opportunities to "[Catch-up](#)" and contribute more.

1. Age 50+ Catch-up allows participants to contribute an additional amount.
2. Traditional Catch-up allows participants to contribute more in the three years prior to normal retirement age.

Please note: the Age 50+ Catch-up and the Traditional Catch-up provisions cannot be used at the same time.

See [Current Deferral Limits](#) for maximum deferral amounts, including those for the Age 50+ and Traditional Catch-up contribution limits.

What are my investment option choices?

You can choose from a variety of [investment options](#). Please see the [Quarterly Investment Performance Report](#) (PDF) for the current investment choices.

How do I keep track of my account?

You can view your account by using the secure login on the homepage, or by calling an Account Executive at 877-644-6457.

Ohio Deferred Compensation offers paperless Quarterly Statements and Focus newsletters through eDelivery. For eDelivery, [login](#) to your account and sign up under "Online Profile." We can also mail your Quarterly Statements showing your account balance and activity. Along with your Quarterly Statements, you will receive the Focus newsletter containing important Program news and information. You will also receive an Annual Statement in addition to the Quarterly Statements.

How do I change my deferral or make investment option changes?

You can make these changes to your account by using the [secure login](#) or by calling an Account Executive at 877-644-6457.

Rollovers, Transfers and Withdrawals

May I roll over my account from my former employer's plan?

Your balances from pre-tax 457(b), 403(b), 401(k), or 401(a) plans or traditional IRAs may be rolled over to Ohio Deferred Compensation. Please consult the [Investments](#) section for additional information.

May I use my Ohio Deferred Compensation account to purchase service credit for my pension plan?

You may purchase service credit for prior years of service or additional permissive years, such as qualified active military service, within your current pension plan by transferring some or all of your Ohio Deferred Compensation account balance on a pre-tax basis. Contact your retirement system to see if you qualify.

When am I vested in the Program?

Vesting refers to the percentage of your account you are entitled to receive upon distribution from the Program. Your contributions to the Program are always 100 percent vested (including transfers from previous employers), plus or minus any earnings or losses they generate.

May I take a loan from my account?

Ohio Deferred Compensation does not offer a loan provision.

Can I withdraw money from my account?

Please refer to the [Resources](#) section to learn about when and how you may withdraw funds.

Is there a penalty for withdrawing before age 59½?

No. Unlike 401(k) and 403(b) plans, there is no penalty for withdrawing 457(b) funds prior to age 59½.

How does my participation in the Program affect my taxes?

Please refer to the [Resources](#) section to learn about potential tax implications.

What administrative fees do I pay to participate in the Program?

When it comes to retirement savings, fees matter. Ohio Deferred Compensation has a history of low fees. Ohio Deferred Compensation has always disclosed its fees, but you may not be fully aware of what you are paying. Beginning January 1, 2016, Ohio Deferred Compensation is taking steps to make sure that administrative costs are fairly shared by participants instead of varying the fees based on how much the investment managers charge and then share with Ohio Deferred Compensation.

The Ohio Deferred Compensation Board has decided to rebate all investment fee reimbursements it receives to the investors in those funds. These rebates will be reflected as a credit in your quarterly statements if you invest in a fund with fee reimbursements.

Because Ohio Deferred Compensation is passing all fee reimbursements back to participants beginning in 2016, a separate fee will be charged to cover administrative costs. We will make administrative fees fairer and easier to understand by charging participants an annual fee of 0.0014 or 0.14% on their total account balance. Since fees will be charged quarterly, a portion of the 0.14% annual fee will be taken each quarter. The new administrative fees will be waived for individuals with less than \$5,000 in their account to help get their savings started. Fees will also be capped at \$55 each quarter, per participant, regardless of the total balance across all accounts.

How do I get more information?

Several options are available:

- Retirement Planning Specialists are available by calling 877-644-6457 to answer your retirement planning questions, including how to:
 - Determine your retirement income needs
 - Evaluate your current financial picture
 - Evaluate combining all your assets into one program
 - Present a variety of withdrawal scenarios
- Read the Program's complete [Plan Document](#) (PDF). If descriptions here conflict with provisions in the Plan Document, the terms of the Plan Document and governing statutes prevail.
- Field Account Executives can provide group meetings and seminars at employer worksites around the state and will be available to answer your Program-related questions. To arrange a visit, contact your human resources department.

Information provided by Retirement Planning Specialists and Account Executives is for educational purposes only and is not intended as investment advice.

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