

LIVE & PLAY

RETIREMENT PLANNING MADE SIMPLE



2023

THE OAKLAND COUNTY 457(b) DEFERRED COMPENSATION PLAN — AT A GLANCE

GENERAL AND UNION EMPLOYEES

The Oakland County 457(b) Deferred Compensation Plan

general and union plan information

WHAT IS A 457(b) PLAN?

A 457(b) plan is a supplemental voluntary retirement plan that allows you to save for retirement with pretax and Roth 457(b) deductions from your paycheck.

WHO IS ELIGIBLE?

All full-time employees eligible for benefits can enroll after they have received their first paycheck.

REGISTER YOUR ACCOUNT ONLINE

1. Go to oaklandcounty.retirepru.com and select *Log In*. Under *New User*, click *Register Now*.
2. Enter the last four digits of your Social Security number, your date of birth, and ZIP code. Click *Next*.
3. Enter your personal email address. Then create a username and password. Click *Create Account*.
4. Enter your work email address and mobile phone number. Click *Next*.
5. Designate your primary email address. Check the box if you choose to enroll in e-delivery of account statements and documents. Click *Next*.
6. Choose a security question and provide an answer. This is an extra measure to verify your identity and protect your account. If you wish, allow your device to be “remembered” for future visits to the site. Click *Submit*.
7. When your registration is complete, you’ll see the “Log In” screen. Click *Log In* to return to the Log In screen.
8. As a security measure, you’ll have limited access to your account. A letter sent by mail will give you a six-digit code. Enter the code for full access to your account. Until you do, the following functions will be hidden or disabled: personal information, address changes, bank information, payment settings, loans, and withdrawals.

HOW TO DESIGNATE A BENEFICIARY

Please remember to elect your beneficiary. Naming your beneficiary ensures that, if you should die, your Oakland County Retirement plan assets will go where you want. If you don’t have a beneficiary on file with Empower, the plan — or the courts — may have to make that decision for you.

- Electing a beneficiary can be completed online by logging into your account through oaklandcounty.retirepru.com or by speaking with an Empower representative at **833-OAK-GOV1** (833-625-4681), 8 a.m.–9 p.m. Eastern time.
- If you elect to name a trust as your beneficiary, please call **833-OAK-GOV1** (833-625-4681), 8 a.m.–9 p.m. Eastern time, to request a Trust Certification Form.

YOUR CONTRIBUTIONS

You may contribute 0% to 100% after required deductions (in whole percentages or dollars) of your pay on a pretax or Roth after-tax basis or a combination of the two. Contributions will begin as soon as administratively feasible.

Roth contributions

Roth after-tax contributions combine the savings and investment features of a traditional pretax retirement program with the tax-free distribution features of the Roth IRA. If you meet certain requirements, the Roth money you withdraw at retirement — and its investment earnings — won’t be taxable. When deciding if you should make Roth contributions, consider the following scenarios:

- If your tax rate will be higher in retirement than it is today, making designated Roth contributions may make sense for you.
- If your tax rate will be lower in retirement than in your working years, you may benefit more from making pretax contributions and deferring your tax obligation until retirement.
- With tax rates in retirement being uncertain, you may choose to diversify your taxation by making both pretax and Roth after-tax contributions to the plan.

To help you determine if Roth contributions are appropriate for you, visit poweryourretirement.com and enter your personal data into the Roth contributions calculator.

Consider your plan’s Contribution Accelerator feature.

It provides an easy way to raise your contribution amount over time. Here’s how it works:

- You can sign up for future automatic contribution increases to your retirement plan account.
- You specify the contribution amount and the date your increase will take effect.
- You can opt out of this feature at any time.

IRS LIMIT ON CONTRIBUTIONS

In 2023, federal tax law allows employee contributions of up to \$22,500, or 100% of includable compensation, whichever is less. If you will be at least 50 years old in 2023, your employee limit is increased by an additional catch-up contribution of \$7,500. (IRS limits may be indexed annually.)

MAKING CHANGES TO YOUR CONTRIBUTIONS

You may increase or decrease your contribution election at any time. Changes will take effect as soon as administratively feasible.

SPECIAL CATCH-UP CONTRIBUTIONS

You may declare a retirement age with the Retirement Unit to be your normal retirement age. In one or more of the three years before you reach that age, you may elect to make special catch-up deferrals. Please contact the Retirement Unit at retirement@oakgov.com or 248-858-0406 for additional details regarding the special catch-up.

OAKLAND COUNTY MATCHING CONTRIBUTIONS

Oakland County will match dollar for dollar of your pretax and Roth contributions based on your employee classification and maximum match as noted on the following page. Matching contributions are contributed to the 401(a) plan.

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EMPLOYEE CLASSIFICATION*	OAKLAND COUNTY 457(b) PLAN MATCH
General	\$500
AFSCME	\$500
MAPE	\$500
MNA	\$1,500
OCEU/IBEW	\$1,500
OE	\$1,500
PIA	\$1,500
UAW	\$1,500

WHEN YOU ARE VESTED

You are always 100% vested in your 457(b) contributions and the county match.

HOW YOUR MONEY IS INVESTED

The plan offers a wide selection of investment choices. Visit oaklandcounty.retirepru.com and click *Log-in* to access your account for more information. If you do not make an investment election, your contributions will be automatically invested in an age-appropriate Target Date Fund* based on your age and assuming a retirement age of 65.

The target date is the approximate date when investors plan to retire and may begin withdrawing their money. The asset allocation of the Target Date Fund will become more conservative as the target date approaches by lessening the equity exposure and increasing the exposure in fixed-income-type investments. The principal value of an investment in a Target Date Fund is not guaranteed at any time, including at the target date. There is no guarantee that the fund will provide adequate retirement income.

A Target Date Fund should not be selected based solely on age or retirement date. Participants should carefully consider the investment objectives, risks, charges, and expenses of any fund before investing. Funds are not guaranteed investments, and the stated asset allocation may be subject to change. **It is possible to lose money by investing in securities, including losses that occur near and following retirement.**

* As with all investments, there are a number of factors and risks to consider in selecting a Target Date Fund. In addition to anticipated retirement date, relevant factors for fund selection may include age, risk tolerance, other investments owned, and planned withdrawals. In addition, participants should carefully consider the investment objectives, risks, charges, and expenses of any fund before investing. It is possible to lose money in a fund — including losses that occur near or following retirement — and there is no guarantee that the funds will provide adequate retirement income. Investments in the funds are not deposits or obligations of any bank and are not insured or guaranteed by any governmental agency or instrumentality.

GoalMaker®: Your retirement plan offers GoalMaker, an optional, easy-to-use asset allocation program, available at no additional cost to you. GoalMaker will invest your contributions in a portfolio that matches your investor style and years to retirement with a desire to protect your income in retirement.

Self-directed brokerage account:¹ Through your retirement plan, you have the ability to transfer a portion of your retirement assets to a self-directed brokerage account (SDBA). Through an SDBA, you will have access to a greatly expanded investment

selection — thousands of stocks traded on U.S. stock exchanges and hundreds of mutual funds and individual bonds. The funds offered through an SDBA are not monitored by the Retirement Board and, as with most investments, contain risks.

CONTACTING EMPOWER

You can contact Empower through the following:

- **833-OAK-GOV1** (833-625-4681), which provides a toll-free phone system 24 hours a day, seven days a week, plus Empower representatives available Monday through Friday from 8 a.m. through 9 p.m. Eastern time.
- Online at oaklandcounty.retirepru.com, 24 hours a day, seven days a week (unless there is system maintenance or an unplanned outage).
- If you're a new user, you will need your name, Social Security number, birthdate, and ZIP code to create a PIN and a user ID.

LOANS

You may request a loan for any reason.

- You may have up to two 457(b) loans outstanding at any time.
- The application fee is \$50 for each loan.
- There is an annual maintenance fee of \$25 for each loan.
- The minimum loan amount is \$2,000, and the maximum loan amount is the lesser of either 50% of your total vested plan balance or \$50,000 less your largest outstanding loan balance during the last 12 months.
- Repayment is made through ACH deductions.
- You choose the length of the loan repayment period up to five years (15 years for a loan to purchase a principal residence).
- The interest rate equals the prime rate + 0.5%. *
- If the loan is not paid in full, tax consequences will apply.
- Prepayment is available.

Any outstanding loan balance not paid back becomes taxable in the year of default. Under the Tax Cuts and Jobs Act, for defaults related to termination of employment after 2017, you have until the due date of that year's tax return (including extensions) to roll over this amount to an IRA or a qualified employer plan.

Taking money from your future may cost you more than you think.

In addition to fees and interest charged on a retirement plan loan, the time your money spends out of the account is time it could have been earning for you. So depending on your time to retirement, you may never be able to get that growth potential back. Consider protecting what you worked so hard to save and weigh all your options before taking a loan from your account.

*Interest is paid back to your account. Additional information about loan calculations and loan interest rate details can be found in your plan's loan policy.

WITHDRAWALS

- Employees may request a withdrawal for certain emergency circumstances as defined by the plan. Please call Empower toll-free at **833-OAK-GOV1** (833-625-4681) for more details; note that tax consequences will apply.

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- Employees are not eligible to withdraw money from their account other than for certain emergency circumstances as defined by the plan.
- PTNE employees who are at least age 59½ are eligible for in-service withdrawals from the 457(b) plan.

WHEN YOUR ACCOUNT IS PAID

Your account balance is payable when you:

- Terminate employment with Oakland County.
- Retire at normal retirement age and are no longer employed by Oakland County.
- Die or become disabled.

HOW YOUR ACCOUNT IS PAID

You may choose to have your account balance distributed to you as:

- Lump-sum/Partial lump-sum payment(s).
- Installment payment(s).
- Direct rollover to an eligible employer's plan.
- Direct rollover to an IRA.

ADMINISTRATIVE FEES

Participants pay 100% of the plan's administrative recordkeeping costs through a quarterly fee.

To reduce fund expenses and provide greater fee transparency, Oakland County separates the plan's administrative costs from the expense ratios of the investment options that provide revenue sharing.

Instead, a flat fee is charged to all participants each quarter to pay for the plan's administrative expenses.

This approach may result in a credit to participants invested in certain funds that generate excess revenue. Both potential outcomes would help offset the fixed administrative fee. Overall, this approach is net neutral in terms of a cost impact to the plan and does not represent a decrease or increase in the plan's fees. It is simply designed to provide greater transparency for participants.

The administrative fee is assessed quarterly and is reflected in the quarterly account statements. The administrative fee may be subject to change.

PLAN ADMINISTRATION RECORDKEEPING FEE

Annual participant fee: \$29 (\$7.25 quarterly)

PLAN TRANSACTION FEES

Loan processing fee: \$50 per loan

Loan maintenance charge: \$25 annually per loan

Express mail fee: \$25

QUESTIONS?

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1 Oakland County offers the Self-Directed Brokerage Account as an investment option within the retirement plan. For value received (being allowed to participate in the Self-Directed Brokerage option), the Participant acknowledges and agrees that some of the investment options available through the Self-Directed Brokerage Account present a higher level of risk to the Participant's assets because of market volatility, interest rate fluctuations, and a variety of other market factors. The Participant shall be solely responsible for selecting investments in the Self-Directed Brokerage Account that are suitable for the Participant's investment needs and risk tolerance. The Participant shall be solely responsible for doing any research and/or due diligence that may be necessary or required before making investment decisions. The Participant will incur additional fees through the selection of the Self-Directed Brokerage Account, including an annual fee, as well as a transaction fee for every purchase or sale of securities. The Participant hereby releases, acquits, waives, and forever discharges Oakland County, the Oakland County Retirement and Deferred Compensation Board, the Oakland County Employees' Retirement System, the Voluntary Employee Benefits Association Trust, and their former and current employees, trustees, and elected officials, together with all agents, attorneys, appointed officials, any affiliated and related entities, and any successors, or assigns of the foregoing individuals and entities (all of the foregoing entities and individuals shall hereinafter collectively be referred to as the "Released Parties") of and from any and all injuries, claims, losses, liabilities, damages, or lawsuits of any kind or nature whatsoever that arise out of, or relate in any way to, the Participant's election to participate in the Self Directed Brokerage Account and any losses that the Participant may incur as a result of such election.

GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. But, of course, past performance of any investment does not guarantee future results. Participants should consider their other assets, income and investments (e.g., equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to their interest in the plan, to the extent those items are not taken into account in the model. Participants should also periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon.

This material is intended to provide information only.

Effective April 1, 2022, Empower officially acquired the full-service retirement business of Prudential. For more details, review the [important information](#) associated with the acquisition.

This material is not intended as advice or recommendation about investing or managing your retirement savings. By sharing this information, Empower is not acting as your fiduciary as defined by the Department of Labor or otherwise. If you need investment advice, please consult with a qualified professional.

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