



# Arizona State Retirement System (ASRS) Supplemental Salary 457(b) and 403(b) Deferral Plan

Nationwide® and ASRS can provide education, tools and solutions to help your employees improve their retirement readiness. Here are several reasons why you should consider adding the ASRS SSDP 457(b) and 403(b) Plan as a choice for your employees to set aside additional money for retirement.



## People

- A local Retirement Specialist who can come to you and your staff throughout the year
- A Personal Retirement Consultant offering free financial planning
- A Phoenix full-service walk-in office and phone support
- Evening and Saturday phone support



## Retirement readiness

- Social Security, health care in retirement and tax distribution planning webinars and assessments
- Personalized participant engagement program messaging
- The My Interactive Retirement Planner™ with ASRS Pensions to calculate retirement needs
- Hands-on and hands-off investments to help all types of investors
- A highly rated mobile-responsive website
- Investment advice with the My Investment Planner™ tool
- The fully functional My Retirement® app to keep employees engaged with their retirement readiness through their Plan account



## Flexibility and the power of the ASRS

- The official supplemental retirement plan of the Arizona State Retirement System
- An extremely low cost of 0.06% on assets under administration
- Easy enrollment with the ability to increase, decrease or stop deferrals
- No-penalty withdrawals after separation of service, regardless of age
- Investments professionally monitored by Nationwide and the ASRS Defined Contribution Committee
- Legislative and regulatory changes incorporated into the plan, assuring that you're compliant
- Plan sponsor support in Phoenix for help when you need it
- ASRS fiduciary oversight



# Savings Plans Comparison Chart

	Plans for Members with State-Agency Employers	
	457(b) Plan	401(a) Plan
Who can sign up for this supplemental savings plan?	ASRS Members who work for <b>AZ state agencies</b>	ASRS Members who max out their contributions to their 457 plan.
Are contributions pre-tax or post-tax?	Contributions are <b>Traditional Pre-Tax</b> or <b>Roth Post-Tax</b>	Contributions are <b>Pre-Tax only</b>
Can I take a loan from this savings plan?	Yes	Yes
Can I manage how my money is invested?	Yes	Yes
How do I get more information and enroll?	Visit <b>ArizonaDC.com</b>	Visit <b>ArizonaDC.com</b>
Does this replace my contributions to the ASRS?	<b>No:</b> These are optional savings plans meant to supplement your income in retirement	

Plans for Members with Non-State-Agency Employers		
457(b) Plan	401(a) Plan	403(b) Plan
ASRS Members who work for <b>school districts, local municipalities, counties, fire districts, etc.</b>	ASRS Members who max out their contributions to their 457 plan.	ASRS Members who work for <b>school districts, local municipalities, counties, fire districts, etc.</b>
Contributions are <b>Traditional Pre-Tax</b> or <b>Roth Post-Tax</b>	Contributions are <b>Pre-Tax only</b>	Contributions are <b>Traditional Pre-Tax</b> or <b>Roth Post-Tax</b>
Yes	Yes	Yes
Yes	Yes	Yes
Visit <b>AzSSDP.com</b>	Visit <b>AzSSDP.com</b>	Visit <b>AzSRSP.com</b>
<b>No:</b> These are optional savings plans meant to supplement your income in retirement		

Questions	457(b) Deferred Compensation Plan	401(a) Defined Contribution Plan	401(k) Defined Contribution Plan	403(b) Tax-Sheltered Annuity Plan
How are contributions made?	<p><b>Traditional 457(b)</b> — Pretax payroll deductions are collected.</p> <p><b>Roth 457(b)</b> — After-tax payroll deductions may be allowed.</p> <p>Pretax employer contributions are allowed and count against the amount participants can contribute.</p>	<p>Pretax contributions may be made on your behalf by your employer. Mandatory employee 414(h) “picked up” contributions may be required.</p> <p>Voluntary after-tax contributions may be allowed.</p>	<p>Traditional 401(k) — Pretax payroll deductions. Roth 401(k) — After-tax payroll deductions may be allowed.</p> <p>Pretax contributions may be made on your behalf by your employer in the form of matching and/or discretionary contributions.</p>	<p>Traditional 403(b) — Pretax payroll deductions.</p> <p>Roth 403(b) — After-tax payroll deductions may be allowed.</p> <p>Pretax contributions may be made on your behalf by your employer in the form of matching and/or discretionary contributions.</p>
What is the maximum contribution permitted?	<p>See IRS webpage here for up-to-date contribution limits.</p> <p>Generally if you are age 50 or older, you can make catch-up contributions.</p>	<p>The lesser of 100% of compensation or \$61,000.</p>	<p>The lesser of 100% of compensation or \$20,500 if you are under age 50.</p> <p>Generally if you are age 50 or older, you can contribute up to \$27,000. Higher limits may be available in certain cases.</p>	<p>The lesser of 100% of compensation or \$20,500 if you are under age 50.</p> <p>Higher limits may be available in certain cases.</p>
Can I make contributions after the tax year has ended?	No	No	No	No
How often may I change my contribution amount?	Generally unlimited, subject to timing restrictions.	Voluntary after-tax contributions are allowed, employees may elect to change those contributions.	Generally unlimited	Generally unlimited
May I roll over or transfer money from other retirement plans into this account?	Yes, but some restrictions do apply.	Yes, but some restrictions do apply.	Yes, but some restrictions do apply.	Yes, but some restrictions do apply.
May I transfer the plan assets to purchase service credit with a governmental defined benefit plan?	Yes, if both your retirement plan and the governmental defined benefit plan allow for the transfer.	Yes, if both your retirement plan and the governmental defined benefit plan allow for the transfer.	Yes, if both your retirement plan and the governmental defined benefit plan allow for the transfer.	Yes, if both your retirement plan and the governmental defined benefit plan allow for the transfer.
When may I begin retirement withdrawals from my account?	<p>Generally when you separate from service regardless of age.*</p> <p>*If still employed or you’ve rolled over from a previous account, some exceptions may apply.</p>	<p>Generally when you separate from service. Certain restrictions may apply, and these vary by plan.</p>	<p>Generally when you separate from service or reach age 59½.</p>	<p>Generally when you separate from service or reach age 59½.</p>
Will my withdrawals be taxed?	<p>Yes, pretax dollars are subject to ordinary income tax and generally no additional early withdrawal tax will apply.</p> <p>Rollover amounts from a previous account or money in a Roth 457(b) may be subject to an additional 10% early withdrawal tax.</p> <p>Earnings from Roth 457(b) contributions may be subject to ordinary income taxes if certain conditions are not met.</p>	<p>Yes, withdrawals are subject to ordinary income tax, and if you are under age 59½, an additional 10% early withdrawal tax may apply.</p>	<p>Yes, withdrawals are subject to ordinary income tax, and if you are under age 59½, an additional 10% early withdrawal tax may apply.</p>	<p>Yes, withdrawals are subject to ordinary income tax, and if you are under age 59½, an additional 10% early withdrawal tax may apply.</p>
May I change my withdrawal option? <small>Check with your tax advisor to discuss your specific situation.</small>	<p>Generally yes, you can start, stop or change your withdrawal option at any time.</p> <p>Note: You must generally start receiving distributions no later than April 1 of the year following the year in which you reach age 72.</p>	<p>The form of distributions may be limited by the employer.</p> <p>Note: You must generally start receiving distributions no later than April 1 of the year following the year in which you reach age 72.</p>	<p>Generally yes, you can start, stop or change your withdrawal option at any time.</p> <p>Note: You must generally start receiving distributions no later than April 1 of the year following the year in which you reach age 72.</p>	It varies; check with the specific provider.
Can someone manage my investments for me? This is called a managed account offering.	Your plan may offer the Nationwide ProAccount® managed account service. Call for more details.	Your plan may offer the Nationwide ProAccount® managed account service. Call for more details.	Your plan may offer the Nationwide ProAccount® managed account service. Call for more details.	Your plan may offer the Nationwide ProAccount® managed account service. Call for more details.
What are the fees?	<p>Fees are negotiated by your employer or plan sponsor with the retirement plan provider. In most cases, these fees are lower than what you may pay if you were to invest outside the plan.</p> <p>You can find some fees within your statement or on your plan website, but you may want to call your plan administrator or recordkeeper for full details.</p>	<p>Fees are negotiated by your employer or plan sponsor with the retirement plan provider. In most cases, these fees are lower than what you may pay if you were to invest outside the plan.</p> <p>You can find some fees within your statement or on your plan website, but you may want to call your plan administrator or recordkeeper for full details.</p>	<p>Fees are negotiated by your employer or plan sponsor with the retirement plan provider. In most cases, these fees are lower than what you may pay if you were to invest outside the plan.</p> <p>You can find some fees within your statement or on your plan website, but you may want to call your plan administrator or recordkeeper for full details.</p>	<p>Fees are negotiated by your employer or plan sponsor with the retirement plan provider. In most cases, these fees are lower than what you may pay if you were to invest outside the plan.</p> <p>You can find some fees within your statement or on your plan website, but you may want to call your plan administrator or recordkeeper for full details.</p>

## 457 Plan Overview Video:

<https://www.azsrsp.com/rsc-web-preauth/resource-center/videos/watch/what-is-a-457>

# Frequently asked questions about contributions

## What's the minimum I need to contribute to be in the plan?

\$10 per pay period.

## What's the maximum I can contribute?

Unless you qualify for one of the "catch-up" provisions discussed later, the maximum that you can contribute to the Plan is 100% of your includable compensation or the applicable dollar amount for the year found in Internal Revenue Code Section 457(e)(15), whichever is less. In 2024, the maximum applicable deferral amount is \$23,000.

## If I'm participating in another 457(b) plan, what's the maximum I can contribute then?

If you are a member of another plan governed by Section 457(b) of the Internal Revenue Code, your total deferrals to all Section 457 plans combined, not including catch-up deferrals, may not exceed \$23,000 in 2024.

## What's the maximum contribution limit for me if I'm currently in a 401(k) and/or 403(b) plan?

If you are currently participating in another elective deferral plan that is not a 457(b) plan, such as a 401(k) plan or 403(b) plan, the maximum deferrals to your 457(b) plan are not affected by the deferral limits for those other non-457(b) plans.

## If I'm close to retirement, is there a way to contribute more?

If you are within 3 years of the year in which you will attain Normal Retirement Age under the Plan, and are making the maximum contribution to your plan, you may be eligible for a catch-up contribution through the Special 457 Catch-Up provision. If you have not contributed the maximum in the past, you may be able to increase your deferral amount to up to 2 times the maximum contribution limit (for example, you may be able to contribute as much as \$46,000 in 2024). Important: Special 457 Catch-Up cannot be used in the same year as Age 50 Catch-Up.

## If I'm not so close to retirement, can I still contribute more?

If you are 50 years or older, you may use the Age 50 Catch-Up provision. With the Age 50 Catch-Up provision you can contribute an additional \$7,500 over the normal deferral limit in 2024. Important: Age 50 Catch-Up cannot be used in the same year as the Special 457 Catch-Up.

## Can I roll over my balance from another plan into this one?

Yes, the Plan accepts eligible rollover distributions from other eligible retirement plans. In addition, plan-to-plan transfers from another governmental 457(b) plan are permitted under this Plan, if the other governmental 457(b) plan permits such transfers. There are differences between deferred compensation plans, individual retirement accounts and qualified plans, including fees and when you can access funds. There may be sales charges or other fees when you move money out of your current account. You should consider all factors before making a decision. Assets rolled over from a qualified plan, DROP plan or IRA may be subject to a 10% excise tax if withdrawn prior to age 59½.

## Can I ever stop my payroll deferrals?

You may stop payroll deferrals to your plan at any time.

## Are there any fees I need to be aware of?

There is an Administrative Plan fee applied to certain investment options. Fees and expenses of the underlying fund options also apply.

## How often can I change my investment options?

You may make changes to your fund selections at any time. However, each mutual fund has specific rules and guidelines that may restrict frequent transactions into and out of that fund. These rules and guidelines are generally included in the prospectus of each mutual fund. You can obtain prospectus(es) from the Fund Performance section of our website or by contacting a Nationwide representative. Additionally, to protect the interests of all participants, your plan may impose plan-level restrictions that limit frequent trading.

## What is the Roth contribution option?

You can designate all or part of your contributions as after-tax Roth 457 contributions. That allows you to pay taxes on your contributions now, based on your current tax bracket, and avoid taxes later if certain conditions are met.

For comparison: Regular contributions are pretax, which means you will pay taxes upon withdrawal, within the tax bracket you're at during the time of withdrawal.

## Frequently asked questions about distributions

### Can I withdraw my funds before I retire?

Because your funds receive the benefit of tax-deferred status, there are limits to when you can withdraw them. If you are still employed, you can withdraw money from your plan:

- If you experience an unforeseeable emergency that is approved by the Plan
- If your account balance is \$5,000 or less and you have not deferred into the Plan for at least 2 years, and you have not made prior withdrawals of this type
- If you have reached age 70½
- If you have reached age 59½; you may also continue to make contributions into the plan

### Are there any penalties when I withdraw my money after I leave my job?

There are no excise taxes from the amount withdrawn from your 457(b) account. However, if you take distributions before age 59½ from a rollover account from a qualified plan such as a 401(k) or an IRA, you may be subject to early withdrawal excise taxes.

### Will I have to pay taxes on the funds I withdraw?

When you withdraw your funds or start to receive distributions, they are considered taxable income. This means you will have to pay taxes on them, and you will need to complete federal and state income tax withholding forms for the year the withdrawal/distributions are made. The benefit payments made to you are reported on Form 1099-R.

Nationwide and its representatives do not give legal or tax advice. An attorney or tax advisor should be consulted for answers to specific questions.

### When I retire or leave my job, what are my options?

If you choose to leave your employment, or your employment ends because of retirement or permanent disability, there are many options available to you. Contact a Nationwide representative to discuss the details.

You can either leave your money where it is or select from the following payout options:

- Taking it in a lump sum or partial amounts
- Making systematic withdrawals
- Using annuity payout options
- Rolling your money over into another plan or into an IRA

### Do I have to withdraw my money right away when I retire?

No, if you are not ready to take any portion of your account now, you can leave it invested where it has the potential to continue to grow.

### When must I begin withdrawing my money?

You must begin taking required minimum distributions, as defined by the Internal Revenue Service, no later than April 1 of the year following the year you turn age 73 or separate from employment, whichever is later.

### How soon do I need to notify someone so my distributions can start?

If you are planning to stop working, contact a Nationwide Representative as soon as possible to receive assistance in planning your distributions.

### How do I receive my distribution?

You can either receive it as a direct deposit into a savings or checking account, or as a paper check through the mail. If you choose direct deposit, you will receive your initial payments through the mail until your account is set up and your bank account information is confirmed.

### Can I change how often I receive my distribution?

Yes, if you decide you want to change the frequency of your payments, simply fill out a new Benefit Payment Election form with your preferred payment schedule. If you elect an annuity payout option, other restrictions apply.