

State of Kansas Public Employees 457(b) Deferred Compensation Plan (KPERS 457)



FEATURES AND HIGHLIGHTS

About KPERS 457

KPERS 457 is a governmental 457(b) deferred compensation plan. It's a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving pretax dollars through a voluntary salary contribution.

Traditional pretax or Roth after-tax contributions

You can choose to pay taxes on your contributions now or when you take money out or both. Consider the amount of taxes you might be paying in retirement.

State employees

You have the flexibility to designate all or part of your deferrals as Roth after-tax contributions.

Local employees

Check with your employer to see if the Roth option is available.

Eligibility requirements

All employees of any participating KPERS 457 employer are eligible to contribute to the 457 plan, including full-time, part-time and seasonal employees (excluding contractors).

Enrollment

You can enroll at kpers457.org or by phone at **800-232-0024**. You will need a Group Number and Plan Enrollment Code, which are available from your employer.

Contributions

The minimum amount you can contribute to each plan is \$12 or 1% per pay period. The IRS sets annual contribution limits for 457(b) plans. You can contribute:

- Up to 99% of your salary or \$20,500 in 2022, whichever is less.
- An additional \$6,500 as a catch-up contribution if you are age 50 or older.

KPERS 457 also offers a special catch-up provision. If you are within three calendar years of your normal retirement age, you can contribute up to twice the regular limit — \$41,000. The amount you are able to contribute for the special catch-up is based on amounts you were eligible to contribute in previous years but did not.

You can't use both of the catch-up contribution types in the same calendar year.

Investment options

A wide array of core investment options and a self-directed brokerage account (SDBA) are in the plan. Option details are available at kpers457.org. Investment option information is also available by calling **800-232-0024**.

The SDBA is intended for knowledgeable investors who understand the risks associated with the SDBA.

Contribution and investment changes

Log on to the website or call the Customer Care Center to change your contributions. You can also change your investment options at any time.¹

Rollovers

KPERS 457 allows you to roll over balances from eligible 457(b), 401(k) or 403(b) plans or from an Individual Retirement Account (IRA).

Consider all your options and their features and fees before moving money between accounts.

Withdrawals

Qualifying distribution events:

- Retirement
- Severance of employment (as defined by Internal Revenue Code provisions)
- Reaching age 72 or age 70½ if you reached 70½ before January 1, 2020 (you may take an in-service withdrawal)
- Death (your beneficiary receives your benefits)
- Unforeseeable emergency (as defined by the Internal Revenue Code)
- Birth or adoption of a child
- Transfer to purchase pension service credit

Pretax distributions are subject to income tax except in the case of a transfer to purchase pension service credit. To receive a tax-free distribution of Roth contributions, you must have had the account for at least five years and meet certain requirements.

The 10% early withdrawal penalty that applies to 401(k) plans and IRAs generally does not apply to distributions from your KPERS 457 account.²

Plan costs

Costs for participating in KPERS 457 include:

- An annual charge of 0.148% deducted monthly for an Empower Retirement administrative cost.
- An annual charge of 0.048% deducted monthly for a KPERS administrative cost.
- An investment management cost that varies by investment option.
- Transactional costs for participation in the SDBA option.

Loans

If your employer offers loans, you can borrow up to \$50,000 or 50% of your vested account balance, whichever is less.

- A loan must be repaid within five years (20 years if used to purchase your primary residence).
- There is a \$100 origination fee for each loan.
- You may have one loan at a time.

Online Advice

If you would like help managing your account, KPERS 457 offers Online Advice provided by Advised Assets Group, LLC, a registered investment adviser. This service is designed to help you choose specific investments based on your personal goals and financial situation. This service is available at no additional cost to you.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

Helpful resources

More information is available at **kpers457.org** or at **800-232-0024**. You can also meet with a Retirement Plan Counselor. Visit **kpers457.org** to schedule a meeting.

¹ Transaction requests received in good order after the close of the New York Stock Exchange will be processed the next business day.

² Withdrawals may be subject to ordinary income tax. The 10% federal early withdrawal penalty does not apply to deferred compensation plan withdrawals except for withdrawals attributable to rollovers from another type of plan or account.

Investing involves risk, including possible loss of principal.

Securities, when presented, are offered and/or distributed by GWFS Equities, Inc., Member FINRA/SIPC. GWFS is an affiliate of Empower Retirement, LLC; Great-West Funds, Inc.; and registered investment adviser, Advised Assets Group, LLC. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice.

Brokerage services provided by TD Ameritrade, Inc., Member FINRA/SIPC/NFA. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. All rights reserved. Used with permission. Additional information can be obtained by calling TD Ameritrade at 866-766-4015. TD Ameritrade and GWFS Equities, Inc. are separate and unaffiliated.