

## MPERA

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## Your 457(b). Your Future.

The State of Montana 457(b) Deferred Compensation Plan is a retirement savings plan designed to help you save and invest for your future. While your pension and Social Security benefits provide a great start, they may not provide enough income for you to maintain the lifestyle you want when you're retired.

You may need to save more on your own — and the 457(b) can help!

**Before-tax and Roth contributions | Diverse investment funds | Flexible payout options | Competitive fees | Local team**



## Why save with the 457(b)?

### You can join at any time

- Go to [www.MPERAdcplans.com](http://www.MPERAdcplans.com).
- Contact your local representative for the plan enrollment code.
- Click on *About your plan* and then *Enroll now*.

### You can manage your account online

- You can change the amount you're contributing each paycheck, set up automatic savings increases and adjust your investment lineup. Visit [www.MPERAdcplans.com](http://www.MPERAdcplans.com) or download the Empower mobile app.

## Two ways to contribute

**Before-tax contributions** come out of your paycheck before income tax is calculated. You pay no income taxes on any contributions or earnings until you withdraw the money (usually in retirement).

**Roth contributions** come out of your paycheck after you pay income taxes. You can withdraw your money and any earnings tax-free at least five years after your first Roth after-tax contribution when your distribution occurs after age 59½, disability or death.

## Contribution limits for before-tax and Roth

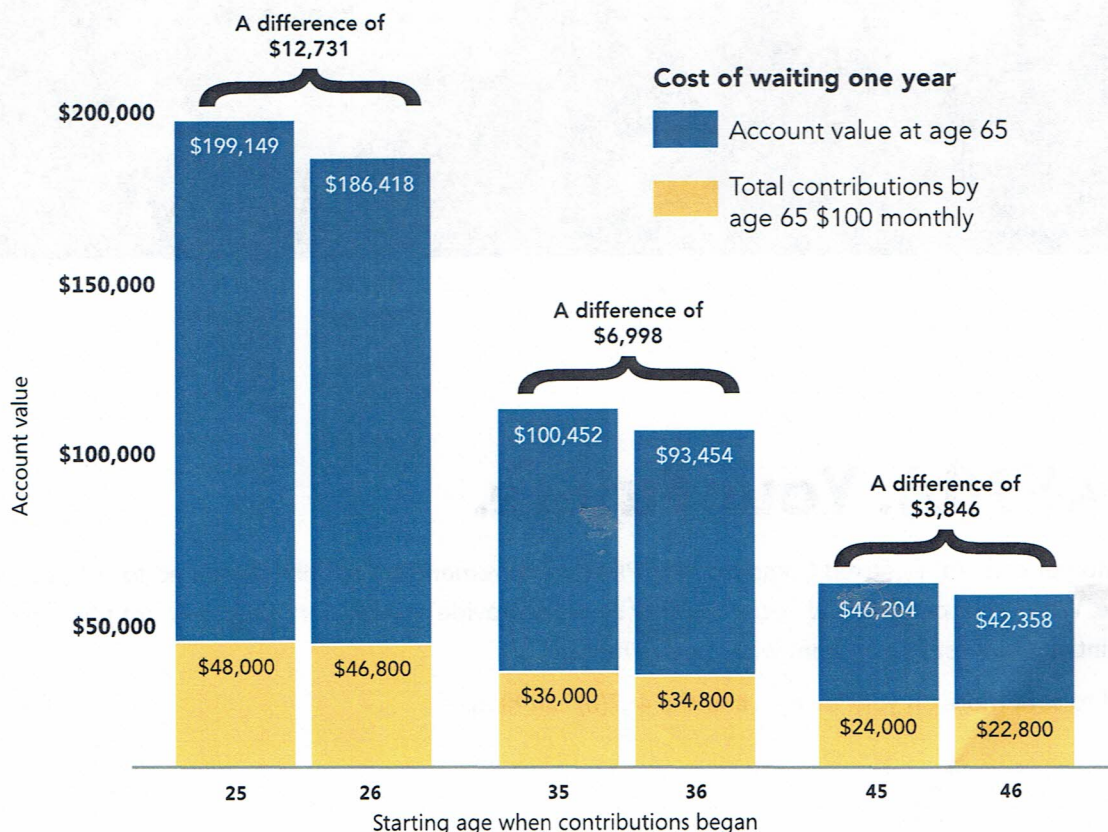
When you enroll in the 457(b), here's how much you can save in 2022:

- Minimum of \$20 per month
- 100% of your includible compensation or \$20,500, whichever is less (for combined before-tax and Roth contributions)
- Extra \$6,500 if you're age 50 or older for a total of \$27,000
- Total of \$41,000 if you're eligible for special catch-up contributions\*

\* Please contact your representative for more details regarding the special catch-up option.

## The sooner you start, the better!

Even a small contribution amount today can make a big difference for your future:



FOR ILLUSTRATIVE PURPOSES ONLY. These hypothetical illustrations do not reflect a particular investment and are not a guarantee of future results. Examples assume 20 years of contributions at \$100 a month with contributions made at the end of each month. Both assume a 6% rate of return, compounded yearly, that is reinvested. Rates of return may vary. The illustration does not reflect associated fees, which could change the outcomes provided.



## Investments

You can choose from many different investment options when you save in the 457(b), including target date funds and core funds — which you can view at [www.MPERAdcplans.com](http://www.MPERAdcplans.com).

### Target date funds

Instead of choosing and managing a collection of different funds, you pick the target date fund closest to the year you expect to retire or withdraw your money. You should also consider your risk tolerance when selecting a fund. The asset allocation of each target date fund will gradually become more conservative as the fund nears the target retirement date.

How do I know which target date fund may be right for me?

Take the year you were born and add it to the age at which you expect to retire or withdraw your money.

YEAR YOU WERE BORN

AGE YOU EXPECT TO RETIRE

+ 65

=

YOUR TARGET RETIREMENT YEAR

Each fund has a year in its name. Look for the year closest to your target retirement year in the name of the fund. You should also consider your risk tolerance when selecting a fund.

FOR ILLUSTRATIVE PURPOSES ONLY. The chart shown is only intended as a guide based on the overall design of the funds. It is not intended as financial planning or investment advice. Please consult with your financial planner or investment advisor as needed.

The date in a target date fund's name is the approximate date when you plan to start withdrawing your money (generally assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal.

## Core funds

The 457(b) offers an investment lineup that consists of fund options in a variety of asset classes that range from conservative to aggressive. You can select from a wide array of core funds to help create your own investment mix that fits your unique lifestyle and retirement goals.

*Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower Retirement for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.*

Asset allocation and balanced investment options and models are subject to the risks of the underlying funds.

## Rollovers

Moving money from a retirement account with a previous employer into the 457(b) is a simple way to stay organized. And, with potentially lower fees, you can keep more of your money working for you — and all in the same place.

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

Funds rolled into a governmental 457 plan from another type of plan or account may still be subject to the 10% early withdrawal penalty if taken before age 59½.

## Withdrawals

The primary purpose of your 457(b) account is saving for retirement. That means waiting until you have retired or separated from employment to take a withdrawal. Remember, the IRS requires you to take a required minimum distribution starting at required minimum distribution (RMD) age unless you are still employed.<sup>1</sup>

If you separate from employment, you can:

- Leave your account in the 457(b) until a future date.
- Withdraw your money in one of the approved methods.
- Roll over your money to another employer's plan or an IRA.

As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers, with a financial advisor and to consider costs, risks, investment options and limitations prior to investing.

Governmental 457 funds rolled into another type of plan may become subject to the 10% early withdrawal penalty if taken before age 59½.



## Local team

Call or go online to schedule a one-on-one meeting with a local **Retirement Plan Counselor** to learn about enrolling, saving and investing in the 457(b).

## Withdrawal options during employment

- **Rolled-in contributions:** Request a withdrawal on any money you rolled into your 457(b) account from another plan.
- **Unforeseen emergency:** An emergency must meet IRC definitions and criteria and be approved by the MPERA Hardship Committee.
- **De minimis withdrawal:** Take a withdrawal if your balance is \$5,000 or less, you have not contributed to your account for the last 24 months and you have never before used this option.

## Fees

There are fees you may owe when you save through the 457(b):

- A flat 0.35% asset-based fee is assessed quarterly for accounts with balances over \$10,000. Fees are prorated across all investment options and shown as a dollar amount on your statement.
- A \$10 annual fee is collected quarterly at \$2.50.

The maximum fee charged per year is \$244, and fees are waived for accounts with balances under \$10,000.

Other fees may apply.

## Go online. Get on track.

The website for the 457(b) gives you a complete view of your retirement savings picture. When you log on to **www.MPERAdplans.com**, it's easy to view your account, increase your contribution rate and manage your investment strategy.

## On the go? No problem!

Access your 457(b) anywhere, anytime, with the Empower Retirement app for your mobile device or Apple Watch®. Available in the App Store® from Apple® for iOS® or on Google Play™ for Android™.

*The State of Montana 457(b) Deferred Compensation Plan is administered by the Montana Public Employees' Retirement Board and recordkept by Empower Retirement.*

## State of Montana 457(b) Deferred Compensation Plan

Go online: **www.MPERAdplans.com**  
Schedule a meeting:  
**<https://mperadplans.empowermytime.com/>**  
Call: **877-699-4015**

*Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower Retirement for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.*

1 The RMD age is 70½ for individuals who turned 70½ on or before December 31, 2019. The RMD age is 72 for individuals who turn age 70½ after December 31, 2019.

If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

The tax information provided is based on current laws, which are subject to change and interpretation.

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