



UPON RETIREMENT OR SEPARATION OF SERVICE, MAKE AN INFORMED DECISION WITH YOUR 457(b) RETIREMENT SAVINGS

CONTACT INFORMATION

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Your Options Upon Retirement or Separation from Service

The benefits and consequences associated with each of the options are unique, and your decision can have long-lasting implications.

1. You may keep your assets invested in the City of Mesa 457(b) Retirement Plan.
 - a. Installment payments may be established upon separation of service.
 - b. Work with Empower to build a distribution strategy
2. You may transfer your balance to another employer sponsored retirement plan, but doing so will prevent you from re-entering this retirement plan.
3. You may make a rollover to another retirement investment vehicle (e.g., Traditional IRA, Roth IRA, or Annuity). but doing so will prevent you from re-entering this retirement plan.
4. You may request a distribution. Distributions often result in significant tax implications (see page 3).

City of Mesa 457(b) Plan Fees

All retirement plans contain fees and participants pay those fees either directly or indirectly. Your 457(b) Plan has a transparent fee structure – you’ll know exactly what you are being charged for plan services and investment management. Whether you leave your money in the City of Mesa 457(b) Plan or choose to invest elsewhere, you should be aware of the fees that you pay and the services that the plan provides.

The amount of fees you pay can have a significant impact on your account balance which the chart to the right illustrates.

City of Mesa 457(b) Plan Fees

Empower Annual Plan Service Fee	0.09%
Distribution/Withdrawal Fees	None
Investment Manager Fees	0.04% - 1.20%

The annual plan service fee includes unlimited access to personalized investment guidance from Empower, periodic webinars, and a suite of online tools.

Effects of Fees on Growth of \$60,000 Savings



The chart assumes a 7.5% return before fees and no annual contributions to the account.



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Checklist: Before Transferring Assets Out of the Plan

- Evaluate expenses in the City of Mesa 457(b) Plan relative to the new account you are considering:
 - Administrative/annual fees and investment management fees apply to most investment accounts. How do the new fees compare to those charged to your 457(b) account? Use the worksheet on page 4 to help you compare.
 - Brokers, advisers and money managers can capture fees and commissions from your investable assets. Ensure all commissions and fees are disclosed up front in writing.
 - Because of the size of the City of Mesa 457(b) Plan, they can offer low-cost institutional share classes that investors typically do not have access to through individual accounts or smaller employer sponsored plans. What share classes are available to you in the account you are considering?
- Compare the investment options:
 - Your City of Mesa 457(b) Plan account benefits from professional investment management and oversight. The funds are continually monitored by the Retirement Plan Committee with professional guidance from the plan's independent retirement plan consultant (Innovest Portfolio Solutions) in order to give you access to best-in-class funds on an ongoing basis. How are the funds in your potential new account selected and monitored?
 - Your 457(b) Plan offers a custom stable value option that is unique and cannot be offered outside of a retirement plan.
 - The City of Mesa 457(b) Plan features a unique custom portfolio that was designed by, and is continually monitored by, the plan's investment consultant (Innovest Portfolio Solutions). This portfolio gives participants access to non-traditional asset classes such as commodities and floating rate loans, and cannot be utilized outside of the plan. Does your potential new account have access to a low-cost, professionally managed option?



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Transferring: Annuity Considerations

- Are there initial sales commissions?
- Are there withdrawal fees?
- What are the ongoing management and mortality and expense fees?
- Is any portion of the account value available for withdrawal? If so, how much or what percentage and is there a withdrawal penalty?
- How are the underlying assets of the annuity invested?
- Am I comfortable with the stability and rating of the insurer guaranteeing the annuity product?
- Can I find third-party annuity products better than the in-plan Empower annuity options?

Broker/Adviser Compensation Considerations

You have the right to know exactly what fees you are paying. Always ask that the fee information be put in writing so you can understand and record what and how you are paying.

- How does my broker/advisor charge for their services?
 - Flat fee only
 - Asset-based fee
 - Commission-based fee

Transferring: IRA Considerations

- Are there any fees if I take a withdrawal?
- What load, sales charges, and expense ratios are associated with the IRA mutual funds?
- Who will monitor my IRA investments on an ongoing basis?
 - Is there a fee for ongoing advice and/or fund monitoring?
 - Will any of my funds be subject to holding periods, redemption fees, or liquidity restrictions?
- If I roll to an IRA, how much income tax will I owe and how will it impact my tax bracket?
 - Traditional IRA: Rollover NONTAXABLE | Distributions TAXABLE
 - Roth IRA: Rollover TAXABLE | Distributions NONTAXABLE

Checklist: Before Cashing Out

- Evaluate the tax consequences.
 - A cash distribution of your retirement savings will be taxed as earned income at the federal and state level and could raise you to a higher tax bracket. You may wish to consult a tax professional prior to requesting a cash distribution.
 - Your retirement savings will continue to grow tax-deferred if it remains in your and 457(b) Plan accounts.
- Evaluate the impact on your ability to retire as planned.
 - Saving enough money for a comfortable retirement can be difficult. Cashing out your retirement plan early will make it even tougher. Saving enough tomorrow to make up for today's cash out could be nearly impossible. You may wish to consult a financial professional prior to requesting a cash distribution.



UPON RETIREMENT OR SEPARATION OF SERVICE MAKE AN INFORMED DECISION

Individual investors should research and understand the fees associated with a direct rollover to an IRA or another retirement vehicle prior to making this decision. Use the worksheet below to compare the expenses of your current investment(s) to those associated with the proposed account and/or investment portfolio.

City of Mesa 457(b) Investment Options		
Fund Name	Ticker	Expense Ratio
Domestic Large Cap		
Fidelity Contrafund®	FCNTX	0.71%
Vanguard Institutional Index	VINIX	0.04%
Natixis: Loomis Sayles Growth N	LGRNX	0.55%
MainStay Large Cap Growth I	MLAIX	0.74%
Dodge & Cox Stock	DODGX	0.52%
Allianz GI NFJ Dividend Value Instl	NFJEX	0.71%
Domestic Mid Cap		
Vanguard Mid Cap Index Adm	VIMAX	0.09%
Artisan Mid Cap Investor	ARTMX	1.19%
J Hancock Disciplined Value Mid Cap I	JVMIX	0.86%
Domestic Small Cap		
Vanguard Small Cap Index Adm	VSMAX	0.08%
Cambiar Small Cap Instl	CAMZX	1.05%
Meridian Small Cap Growth I	MSGRZ	1.10%
International Equity		
Artisan International Investor	ARTIX	1.17%
American Funds EuroPacific Growth R5	RERFX	0.53%
Dodge & Cox International Stock	DODFX	0.64%
Oppenheimer Global A	OPPAX	1.13%
Emerging Markets		
DFA Emerging Markets Core Equity I	DFCEX	0.62%
High Yield		
JP Morgan High Yield Select	OHYFX	0.83%
Fixed Income		
Metropolitan West Total Return Bond	MWTIX	0.44%
Mesa/Great-West Custom Fixed Portfolio	NA	0.47%
Specialty Funds		
Virtus Global Real Estate I	VGISX	1.15%
Target Date Funds		
T. Rowe Price Retirement Series	Various	0.57% - 0.75%
City of Mesa 457(b) Administrative Fees		
Empower Annual Servicing Fee	0.09% (\$0.90 per \$1,000)	
Withdrawal Fees	None	
Sales Commissions	None	

New Plan / Rollover Account Investment Option		
Fund Name	Ticker	Expense Ratio
Domestic Large Cap		
Domestic Mid Cap		
Domestic Small Cap		
International Equity		
Emerging Markets		
High Yield		
Fixed Income/Cash/Stable Value		
Specialty Funds		
Balanced Funds/Target Date Funds		
New Plan / Rollover Account Administrative Fees		
New Account Annual Fee(s)		
Withdrawal Fees		
Sales Commissions		

