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# New Employee Benefits Orientation

Presented by the
Benefits, Wellness, & Deferred Compensation Office
Bureau of Human Resources

# Welcome!

The Benefits, Wellness & Deferred Compensation Office provides:

A safety net to protect your health and finances today and prepare for tomorrow. Our benefits packages ensure you have options to meet your healthcare, wellness, and financial savings goals

Our goal is to help you feel confident that you have the answers you need, when you need them

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# Meet our team

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# Savings Plans

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# What is a 457(b) Deferred Compensation Savings Plan?

## It's a voluntary Savings Plan!

Provided by Voya Financial

Additional investment fund managed by Advantis Credit Union

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# What are the benefits of investing in a 457(b) Plan?

- Allows employees to save on a pre-tax *and* post-tax basis
- Deferrals are payroll-deducted
- Ability to increase, decrease or stop contributions throughout the year
- Flexible investment options
- Portable savings plan – can be rolled to another qualified account
- A meaningful supplement to your pension plan benefits or general savings

## How is a 457(b) different from other voluntary savings programs, such as a 401(k)?

- No 10% early withdrawal penalty for pre-tax accounts!
- Money cannot be co-mingled with 401(k)

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# How much can I contribute?

Minimum deferral:

1% or $10 per pay period

2015 IRS annual deferral limit:

$18,000
*OR*
$24,000 for those who will be age 50 or older by the end of the year

Other additional saving opportunities available as you get closer to retirement!

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# Do I pay anything to participate in Deferred Comp?

- Annual fee of 0.13% of account balance will be deducted from each of the investments in your account

- Quarterly fee of 0.0325% (0.13% ÷4) will be assessed to your account balance

*Example: Balance at end of Q1 is $10,000 x 0.000325 = $3.25*

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# When can I withdraw my funds?

- Unforeseeable emergency
- Upon employment separation/retirement

There are rules about when you must take a distribution, there is also a beneficiary form you would complete so your beneficiaries would be able to access these funds. Pre-tax benefits are subject to income taxation when distributed from the plan. Certain qualifying conditions apply for Tax-Free Distributions for Roth 457(b), contributions must be held at least 5 years before date of distribution and you must be 59 ½ (assuming separation from service) or disabled.

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# How do I get started? Enrolling is EASY!

| Employee Self Service | Paper Enrollment Form |
|---|---|
| http://www.portlandonline.com/ep | Included in New Hire Packet |
| Automatically defaulted into a Target Date Fund based on the year you expect to retire. Changes to your allocations can be made thru your Voya Representative or by creating an account at the Voya Website. | Complete and return to Benefits & Wellness Office 106/404 |
| Your participation can begin the 1st of the month after 30 days of employment | |
| Enrollment must be completed/received by the 15th of the month to be effective the first payday of the following month | |

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# Next Steps to Enroll in Savings Plan

Start investing early by enrolling TODAY!

↓

Create online account to monitor account activity

↓

Maintain beneficiary information

↓

Attend educational meetings/seminars

↓

Increase contribution by at least 1% annually (COLA, merit increases)

Meet with a Voya Financial representative to set goals for your financial future!

# Oregon Public Service Retirement Plan (OPSRP)

OPSRP is a Retirement Pension Plan managed by the Public Employee Retirement System (PERS).

## OPSRP has two components:

1. Individual Account Program (IAP)
2. Pension Plan

Participation is determined by meeting eligibility rules.

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# OPSRP Eligibility

| | Establishing Membership |
|---|---|
| ✓ | You are an OPSRP member if hired on or after August 29, 2003 in a PERS participating employer |
| ✓ | Waiting period required - 6 full calendar months and working at least 600 hours in a calendar year |
| ✓ | Waiting period cannot be interrupted by more than 30 consecutive workdays |
| ✓ | No waiting period for previous PERS membership through participating employer (no break in service of more than 5 years and funds were not withdrawn) |
| ✓ | City contributions begin automatically upon meeting waiting period |

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# Individual Account Program (IAP)

- 6% of your salary goes into the IAP account
- Your 6% contribution is made by the City on your behalf
- Your account is credited with earnings (or losses) annually based on investment returns
- Invested in PERS Fund and managed by the Oregon Investment Council
- Vested immediately when you establish membership

***Example:***

*$50,000 annual salary*
*Per pay period earnings = $1,923*
*6% contribution per pay period = $115*

***Annual IAP contribution = $2,990***

# Pension Plan

- City contributes into an employer reserve account to fund the program
- Employer contribution rate is determined by PERS Board
- Vested after working 5 years of 600 hours/year or vested immediately if you are at normal retirement age
- Formula designed to provide 45% salary at full retirement with 30 years

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# Next Steps for PERS

Complete IAP beneficiary form and update as necessary

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Ensure the City has your correct name, address, date of birth and SSN

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Create online account to view activity

↓

Attend City sponsored PERS sessions

↓

Review annual account statements

↓

For more information: www.Oregon.gov/pers

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# Savings Plan Summary

| | Deferred Comp | PERS/OPSRP IAP | PERS/OPSRP Pension |
|---|---|---|---|
| How Funded? | By the Employee | **City** | **City** |
| How much is contributed? | Recommend $10 or 1% to start or what you can afford; make an annual increase of 1% | **6%** of your gross earnings is contributed every 2 weeks to your IAP account | Rate set by PERS through actuarial study every 2 years (current rate is approximately **7%**) |
| How to Enroll | After 30 days of employment then the first of the next month: thru Employee CityLink, EZ Enroll form, or Voya Rep | Automatic after 6 months Employee 100% vested | Automatic after 6 months Vested after 5 years Formal determines your monthly lifetime benefit |
| Funds available? | After separation or if an Unforeseen Emergency occurs | At Retirement | At Retirement |

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# Questions? We are here to help!

Benefits & Wellness

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Deferred Compensation

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Visit our website:

portlandoregon.gov/bn