PRIME
Portland Retirement Investing Made Easy

FAQ's -- How do I withdraw my savings from my 457 Deferred Compensation Account when I leave the City?

WHEN CAN I ACCESS THE FUNDS IN MY 457 ACCOUNT?

Funds are available after employment ends. You can request withdrawal information directly from your service provider by contacting Voya Financial (previously ING) at (503) 937-0378 or Advantis at (503) 785-2527.

NOTE: Being rehired as a City of Portland employee after you've retired or terminated your employment will make you ineligible to withdraw your deferred comp funds until you leave employment again.

MAY I TAKE ALL OR JUST A PORTION OF MY ACCOUNT WITHOUT SETTING UP PAYMENTS?

You do not have to set up automatic withdrawal payments to receive your money. You may take as many partial distributions as you wish but you will be required to complete distribution paperwork for each request.

- Is the amount you are considering before taxes (gross) or after taxes (net)?
- The IRS requires a mandatory 20% federal tax withholding on withdrawals. You may ask for more withheld if you want, but it cannot be less.
- If you are an Oregon resident, the Oregon state tax withholding is optional. It will be withheld at a rate of 8%, but you may ask for more if you want.
- *For Example:* You need $1,000 net and want 20% federal and 8% state withheld. Taxes are calculated on the gross amount withdrawn, not the net.
  - *Net withdrawal amount* divided by the *net of tax rate* 100%-28% (72%) equals *gross distribution*
    - *$1,000 net amount* divided by net *72%* equals *$1,388.89 gross*.
- For Voya Financial participants, you can receive a check via mail or have it electronically transferred directly to your bank. For ACH deposit, add your Routing Number and Bank Account Number to the form. For Advantis participants, your disbursement will be deposited into your Advantis savings or checking account.

MAY I SET UP AUTOMATIC PAYMENTS?

You may choose to receive your payments by specific amount, specific period, or a lifetime payment (an annuity) to be payable monthly, quarterly, semi-annually or annually.

- Automatic Payments must meet two requirements: **[Voya participants only]**
  - Be at least $250 per payment
  - Must last a minimum of 3 years

  NOTE: There is no minimum dollar amount or minimum length of time for Advantis participants.

- **Is the amount you are considering before taxes (gross) or after taxes (net)?**
  - If payment will potentially last less than 10 years
    - The IRS requires a mandatory 20% federal tax withholding on withdrawals. You may request that additional taxes be withheld if you desire, but it cannot be a lesser amount.
    - If you are an Oregon resident, the Oregon state tax withholding is optional. It will be withheld at a rate of 8%, but you may request that additional taxes be withheld if you desire.
  - If payment will potentially last more than 10 years
    - You will need to complete a W4-P included with the forms
  - *You may want to consult a tax advisor for assistance as neither Voya Financial nor Advantis can give tax advice.*
- **When can I expect my payments to start?**

  Termination dates are provided to Voya and Advantis Credit Union as soon as possible after you separate from the City.

  Voya PARTICIPANTS:
  - Payments can be scheduled for withdrawals on the 1st or 15th of the month. If this date falls on a weekend, it will be withdrawn on the next available business day.
  - ACH Deposits are generally credited 2-3 business days after the withdrawal date.
  - Your **First** payment will be sent via check through USPS. Payments thereafter will be processed via ACH if you elect this option.
  - Checks are generally mailed and received within 7-10 business days after the withdrawal date.
  - **YOU** must provide Voya with your bank account number and routing number after you have separated from service and Voya has received your termination date. You may call Voya at 800.584.6001 or go online to your Voya account to add bank account and routing number information.

  ADVANTIS CREDIT UNION PARTICIPANTS:
  - Payments can be set up as frequently as once each month payable on the first business day of the month.
  - Appropriate taxes are withheld and the funds are deposited into your Advantis savings or checking account.

IF I AM RECEIVING AN AUTOMATIC PAYMENT CAN I MAKE CHANGES TO IT? YES

Voya PARTICIPANTS

- To change your withdrawal **amount** you must complete new paperwork and meet the two-rule requirements mentioned previously.
  - Be at least $250 per payment
  - Must last a minimum of 3 years

- To change the **date of your withdrawal or the amount of your tax withholdings** you may contact Voya Financial at 800.584.6001 and make the change over a recorded phone line.
- Payments may be stopped at any time except in the selection of an annuitized payment option.

ADVANTIS PARTICIPANTS

- To change your withdrawal **amount** you must complete a new withdrawal form. You can stop by any Advantis branch office or call (503) 785-2527.
- Payments may be stopped at any time except in the selection of an annuitized payment option.

CAN I ROLLOVER OR TRANSFER MY ACCOUNT?

You can transfer or roll over a full or a partial amount of your account at any time, but it is recommended that you speak to a representative to discuss the pros and cons before leaving the plan.

- ***When requesting rollover paperwork, your service provider will need ALL of the information regarding the provider receiving funds including:***
  - To whom the check will be made payable;
  - The account number for the receiving account; and
  - The address to which the check will be mailed.

CAN I MAKE CHANGES TO THE PAPERWORK ONCE I REQUEST THE FORMS?

Yes, but you must initial any and all changes to the forms.

CAN I HAVE MY MONEY ONLY COME FROM ONE FUND? (VOYA PARTICIPANTS ONLY)

You may have your withdrawal come from one specific fund; for example the fixed account only. Special instructions must be noted on your paperwork. It is recommended that you contact your representative for assistance with such requests.

NOTE: If you chose to have your payment option withdrawn from a specific fund, once the money is exhausted in that fund, your withdrawal payments will stop. It is your responsibility to transfer money into that fund to ensure your payments continue.

IF I ROLLED OTHER ACCOUNTS INTO THE PLAN IS THERE SOMETHING I SHOULD BE AWARE OF?

If you have rolled money into the plan from a 401(k), 403(b), IRA or PERS IAP:

- This money is held in a separate money source
- It is subject to a 10% early withdrawal penalty if accessed prior to age 59-1/2
- If you separate from service after attaining age 55, you may qualify for an exception from the 10% early withdrawal penalty.
- You may request that your payments be withdrawn only from the deferred comp source if you are not 59-1/2 or you do not qualify for an exception.

PAYMENTS CANNOT BE BOTH FUND SPECIFIC AND SOURCE SPECIFIC (VOYA PARTICIPANTS ONLY)

If your payment is fund specific it will be withdrawn equally (on a pro-rata basis) from all available money sources. You may be subject your withdrawal to a 10% penalty on the money from the rollover source if you did not qualify for the exception.

IF I AM RECEIVING AUTOMATIC PAYMENTS CAN I ASK FOR A ONE TIME PARTIAL AMOUNT AS WELL?

In addition to your automatic payments, you may take partial withdrawals at any time and it will not affect your automatic payments.

WHEN AM I REQUIRED TO TAKE MONEY FROM MY ACCOUNT?

At age 70-1/2 the IRS requires minimum distributions (RMD) to begin

- You are required to take the first payment by April 1st following attainment of age 70-1/2
- Your service provider will automatically send you a letter to inform you when you can expect to receive your payments.
- If you are currently on an automatic payment or took a partial payment during the year, your service provider will review your account by December 15th to ensure you have met the RMD requirement. If you have not met the minimum requirement you will receive the additional amount by December 31st.
- If you would like to receive your payment prior to the month of December, you may contact your service provider to complete the appropriate paperwork.
- This payment is NOT subject to the mandatory 20% tax withholding. **IF** you would like taxes withheld from these payments, you must contact your service provider.

WILL I RECEIVE A TAX DOCUMENT THAT I NEED TO FILE?

Your service provider will mail you a 1099R by January 31st the year following your fund disbursement(s) from the plan. This document will be needed to file your taxes.