

## FREQUENTLY ASKED QUESTIONS (FAQ) ON THE SUSPENSION OF THE DEFERRED COMPENSATION MATCH

**Recent news reports stated that the \$35.00 state incentive match for deferred compensation is being eliminated. Is that true?**

The state match is being suspended indefinitely. As part of the most recent announcement of additional expenditure restrictions necessary to balance the state budget, the State of Missouri, Division of Budget and Planning announced recently that the employer incentive (match) associated with the State of Missouri Deferred Compensation Plan will be **suspended indefinitely**. For more details, go to the Deferred Compensation Plan's [website](#).

**Can I withdraw, transfer or rollover my money from the State of Missouri Deferred Compensation plan while I am still employed with the State of Missouri?**

**NO**

You can only take distributions from this type of government employer-sponsored retirement savings plan as permitted by federal law and the plan document. These instances are:

- When you separate (terminate employment or retire) from service with the State of Missouri
- Upon your death to your beneficiary(ies)
- If you have not yet separated from service but you have reached age 70½
- If you have not yet separated from service but the monies being withdrawn were previously rolled over into the Plan
- If you have not yet separated from service but you experience an unforeseeable emergency
- If you participate in a governmental defined benefit pension plan and wish to transfer a portion of your account to purchase service credit in that plan while you are still employed

When you participate in the State of Missouri Deferred Compensation Plan, you have the ability to contribute the minimum of \$25.00 per month (or \$12.50 semi-monthly) to 100% of your paycheck, not to exceed the annual maximum set by the IRS which is currently \$16,500 for employees under the age of 50. Additional catch-up provisions allow a higher annual contribution to the plan. A summary of maximum annual deferrals and catch-up provisions for the State of Missouri Deferred Compensation and a traditional or Roth IRA (for comparison) is listed in the tables below

### **State of Missouri Deferred Compensation Plan**

	Total Deferral
Maximum deferral - under age 50	\$16,500
Age 50 and over catch-up provision (additional \$5,500)	\$22,000
Three-year special catch-up provision*	\$33,000

### **Traditional or Roth IRA**

	Total Deferral
Maximum deferral – under age 50	\$5,000
Age 50 and over catch-up provision (additional \$1,000)	\$6,000

\*Three-Year Special Catch-Up Provision

If you are within three years prior to the year of your retirement, you may be able to double the normal contribution limit and contribute \$33,000 to your Plan. You cannot contribute to the Three-Year Special Catch-Up and the Age 50 and Over Catch-Up Contribution during the same tax year.

**Why am I charged a fee to participate in the State of Missouri Deferred Compensation plan?**

Plan administration, participant communications, account statements, website services, interactive phone systems, trading platforms, investment management, recordkeeping of the plan assets and benefit processing all cost money. It is common practice for employer-sponsored retirement savings plan participants to share in the costs of providing these services. Whether paid through a separately stated account fee or a fee embedded within an investment option expense ratio, these costs exist in all plans. The State of Missouri Deferred Compensation Plan is a low cost plan as compared to government plan peers in the United States, which allows your plan account greater long-term growth potential than higher cost peers.

**Does the State of Missouri have access to money already in the 401(a) plan – currently a portion of participant account balances?**

**NO**

As required by state and federal law, assets currently held in the 401(a) incentive plan are held in trust for the exclusive benefit of participants.