

YOUR RETIREMENT

AT YOUR SERVICE.

COUNTY OF
SAN MATEO



Did you know that leaving your account in the County of San Mateo Deferred Compensation Plan after you retire or separate service from the County may be one of your best options? We've learned that many employees don't realize they have the ability to remain invested in the plan following their separation from service. We want to let you know that there could be some potential advantages to leaving your account balance in the Plan. Here are some things to consider when deciding what to do with your Deferred Compensation Plan account balance:

457 Deferred Compensation Plans do not have penalties on withdrawals before age 59.5

If you leave the County or retire before the age of 59.5 and need to take a withdrawal from your account, you will not incur any tax penalties. When taking a withdrawal from other retirement accounts, such as Individual Retirement Accounts (IRAs) and 401(k)s, you may be subject to a 10% penalty for taking a cash distribution before the age of 59.5. 457 plans, like the County of San Mateo Deferred Compensation Plan, are not subject to this 10% penalty.

Potential for lower fees

Because of our size, San Mateo County is able to provide a plan with relatively low fees. If you move your money to a vehicle like an IRA, you are moving into an individual product and may face higher fees due to the retail nature of the funds offered. Our group plan has approximately \$375 million in plan assets; this gives the County's Plan the economy of scale to negotiate lower fees with the service providers we partner with.

County oversight and due diligence surrounding investment offerings

The County has a Deferred Compensation Committee made up of nine employees (8 employees and 1 retiree) from various departments, who share the responsibility of comprehensively reviewing the overall effectiveness of the Plan throughout the year. The Committee has engaged an external third party investment consultant, SST Benefits, to closely monitor the Plan and ensure we are offering high quality, low cost investments.

Continued



We'll help you get there.®



MassMutual's SAGIC Stable Value Fund

Our current contract with MassMutual contains a stable value product crediting 3.24% annualized earnings for the second quarter of 2017. For the most current SAGIC rate information, visit <http://bit.ly/2oME2o0>. This is an incredibly favorable rate, given today's economic environment. By keeping your account invested in the Plan, you can continue to take advantage of investing in the SAGIC account along with all of the other investment offerings within the plan.

Continued access to free educational resources

When you leave the County or retire, you will continue to have access to a variety of resources to help you, such as:

- MassMutual's local Retirement Education Specialist, Patrick Washington, who will continue to be available to review options available to you to help meet your retirement plan needs.
- MassMutual's call center representatives who can be reached Monday – Friday, 5 a.m. – 5 p.m. PT at 1-800-743-5274.
- MassMutual's website www.viewmyretirement.com/sanmateocounty where you can review your account and make changes to your investment offerings.

If you need help selecting specific investments, you should consult with a financial professional.

If you elect to withdraw your account balance by taking a full distribution, your account will close and you do not have the ability to re-open it. You do have the ability to take a partial withdrawal. By leaving a small balance in the plan, the door will remain open to allow future rollovers into the plan, if you so wish.

The information contained here is not intended or written as specific legal, tax or investment advice. It may not be relied upon for purposes of avoiding federal tax penalties. Neither MassMutual nor any of its employees or representatives are authorized to give legal, tax or investment advice.

