



1.62 Defined Contribution Program

PLAN HIGHLIGHTS



Plan Benefits

Your County of Orange 1.62 Defined Contribution Plan (also referred to as the 1.62 Plan) is a combination governmental 457(b) and 401(a) retirement plan under the Internal Revenue Code. You make employee contributions to a 457(b) plan and manage them yourself, and your employer makes employer-matching contributions to a 401(a) plan for you to manage. The 1.62 Plan provides you with benefits on your road to retirement, including:

- **An employer match of 100%.** You receive a 100% match of your biweekly contributions to the 457(b) plan up to 2% of base salary per pay period.
- **Target date fund default.** Your employee and employer contributions will default to an age-appropriate target date fund based on your date of birth upon your initial enrollment unless you make an active investment selection for both the 457(b) plan and the 401(a) plan.
- **No minimum contribution.** You can contribute up to 100% of your includible compensation up to \$20,500 in 2022.
- **Distribution flexibility.** You decide when to start your distributions after you sever employment. You have a variety of payment options to choose from, including a lump-sum distribution, partial lump-sum distribution, periodic payments or annuity payments.
- **Automatic deductions.** You decide when to contribute and how much to contribute. Then, the Plan automatically deducts your contributions from your paycheck and invests them in your Defined Contribution account.

How Much Do I Need to Save?

Your 1.62 Plan's website offers financial planning tools that can help you determine how much you may need to contribute to reach your goals.

The most important thing is to start saving right away. Waiting even just one year could cost you and could make a big difference in your account when you retire.

Starting Age	Total Contributions Age 65	Account Value Age 65	Cost of Waiting 1 Year
25	\$48,000	\$199,149	\$12,731
26	\$46,800	\$186,418	
35	\$36,000	\$100,452	\$6,998
36	\$34,800	\$93,454	

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It is intended to show how the number of years invested in the Plan could affect participant account values. It is not intended to depict the performance of any particular security or investment. It assumes monthly contributions of \$100, an annual 6% rate of return, retirement at age 65 and reinvestment of earnings with no withdrawals. The illustration does not reflect any charges, expenses or fees that may be associated with your Plan. The tax-deferred accumulation shown above would be reduced if these fees had been deducted. Rates of return may vary.

Advantages of Tax-Deferred Growth Potential

Enrolling in the 1.62 Plan allows your assets to potentially grow on a tax-deferred basis — so the money you would have paid in taxes goes into your account and continues working for you. The advantages of tax-deferred growth include:

- Not paying taxes until you withdraw money from your account.
- Lowering your current taxable income.
- Paying yourself first and investing for your future.

The Employer Match

The County of Orange will match 100% of your biweekly contributions to the 457(b) plan — up to 2% of your base salary per pay period. The chart below details some sample paycheck contribution amounts with the calculation of an employer 2% match.

You make employee contributions to a 457(b) plan and manage them yourself, and your employer makes employer-matching contributions to a 401(a) plan for you to manage. Your employee contributions vest immediately on your behalf. Employer-matching contributions vest on your behalf after five years of continuous employment with the County.

In addition to taking advantage of the employer-matching contributions, you can lower your current taxable income and potentially enhance your monthly retirement income (balance and monthly benefits will depend on contribution amounts and rate of return).

Gross Biweekly Paycheck Amount	Biweekly 2% Employee Contribution Amount	Biweekly 2% Employer Match Amount	Total Annual Contribution Amount
\$1,000	\$20	\$20	\$1,040
\$2,000	\$40	\$40	\$2,080
\$3,000	\$60	\$60	\$3,120

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1.62 Plan Features

A Custom Investment Lineup

The 1.62 Plan offers a broad array of investment options across various asset classes. Additionally, you have access to a self-directed brokerage account (SDBA) through TD Ameritrade. The SDBA is intended to offer greater flexibility for knowledgeable investors interested in accessing investment options beyond those in the 1.62 Plan's fund lineup.

If you're interested in selecting your own investment options, the 1.62 Plan offers a variety of investment options from which to choose. The Plan features nine custom-designed profile funds, 12 target date funds and a stable value fund option. These funds are made up of various investment options and provide different risks and potential returns based on the asset category.

If you are not interested in actively managing the underlying asset classes within your portfolio or don't have the time to do so, remember that target date funds are a professionally managed series of funds that gradually move from aggressive to conservative allocations as they approach specific target retirement dates.

Generally, the asset allocation of each target date fund will gradually become more conservative as the fund nears the target retirement date. The date in a target date fund's name is the approximate date when investors plan to start withdrawing their money (which is assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal. For more information, please refer to the fund prospectus and/or disclosure document.

For detailed information about the investment options available, visit www.countyoforangedcplan.com.

Self-Directed Brokerage Service

If you are an experienced investor who understands the risks associated with the investments contained in the SDBA and are very comfortable managing your own account and making your own decisions, you may be interested in the flexibility of an SDBA offered through TD Ameritrade. This option allows you to invest in funds beyond those that the 1.62 Plan offers.

Online Tools and Education

Once you log in to your account, you'll get an in-depth look at your retirement standing — and more. You can immediately see the up-to-date progress you're making toward your current savings goal. No matter what page you're on, you can always explore the wide assortment of planning, saving and investing resources, including fund fact sheets and investment performance returns, and view online prospectuses and/or disclosure documents.

On-Site Education, Enrollment and Retirement Planning Counseling Services

A team of Empower Plan Advisors conducts regularly scheduled on-site educational meetings to answer any questions you may have. In addition, you can speak with an Empower representative by calling the voice response system at **(866) 457-2254** from 5 a.m. to 7 p.m. Pacific time Monday through Friday and 6 a.m. to 2:30 p.m. Pacific time on Saturday.

Retirement Readiness Reviews

The 1.62 Plan offers one-on-one Retirement Readiness Reviews with a Retirement Plan Advisor at no additional cost to you. During a review, your Advisor will evaluate your total financial profile and provide recommendations to help you reach your long-term financial goals.¹

Empower Advisory Services

The 1.62 Plan also features Empower Advisory Services offered by Empower Advisory Group, LLC, a registered investment adviser. For information about these services and any applicable fees, please visit the website at www.countyoforangedcplan.com or schedule an appointment at county-of-orange.empowermytime.com.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

How do I enroll?

Go to the Plan's website at www.countyoforangedcplan.com. Select *REGISTER* on the right side of the screen. Select *I do not have a PIN* and follow the prompts.

During the registration process, if we have your valid email or current cell phone number, the system will send you a verification code to type in.

If we don't have your contact information, the system will take you through five credit history questions to verify your identity.

If your contact information (email or cell phone number) is outdated, you will have to call Empower at **(866) 457-2254**. To speak with a representative regarding your account, please call Monday through Friday between 5 a.m. and 7 p.m. Pacific time, and Saturdays between 6 a.m. and 2:30 p.m. Pacific time. You will need to get verified so that you can update your contact information and receive the verification code.

To work with an Empower representative or to request paper copies of the Enrollment and Beneficiary forms, call **(866) 457-2254**. You can also schedule an appointment with your local Retirement Plan Advisor at county-of-orange.empowermytime.com.

¹ The Retirement Readiness Review is provided by an Empower representative registered with Empower Advisory Group, LLC and may provide investment counseling and/or recommendations at no additional cost to participants. There is no guarantee provided by any party that use of the review will result in a profit.

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Asset allocation and balanced investment options and models are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds and bonds/bond funds.

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