Here today, here to stay…

Understanding your WDC distribution options

Even after you're no longer a public employee in Wisconsin, you're still in control of managing your hard-earned retirement savings in the Wisconsin Deferred Compensation Program (WDC). Whether your next stop is retirement or a new job, you have options. You can keep your money right here in the WDC or head in a different direction.

Questions?
(877) 457-WDCP (9327)
www.wdc457.org

Helping You Turn Over a New Retirement Leaf

When you separate service, you have options regarding your WDC account:

1. Stay in the WDC

You can leave your retirement savings in your WDC account for as long as you'd like — or until you reach age 70½, at which point the IRS says, if you've stopped working, you must begin taking a required minimum distribution (RMD). And even then you only have to withdraw a portion of your account. The WDC also offers a great feature to help you automatically meet RMD rules at age 70½ and avoid the 50% IRS penalty for failing to take your RMD. Contact the WDC to learn more.

Why stay with the WDC?

- Continue working with your local Retirement Plan Advisor (RPA).
- Enjoy potentially lower and competitive fees.
- Select from a wide array of investment funds and services.
- Maintain access to helpful tools at **www.wdc457.org**.
- As long as you have a balance in the WDC, you can roll qualified assets in to your WDC account.

To learn more about these benefits, and more, call the WDC at (877) 457-WDCP (9327).

Keep your money working for you — when you keep it in the WDC.

Age	Account balance at 6% annual growth	Potential monthly periodic payment
55	$50,000	$358
60	$66,911	$479
65	$89,542	$642

FOR ILLUSTRATIVE PURPOSES ONLY. The table above shows the potential growth that could be missed if a participant cashed out all of his or her retirement plan account balance at age 55. This illustration is hypothetical and does not represent the performance of any investment options. It assumes a 6% annual rate of return and reinvestment of earnings, with equal monthly payments beginning at the age specified and continuing for 20 years. Rates of return may vary. Taxes have not been calculated in this illustration. This illustration does not reflect any charges, expenses or fees that may be associated with your plan. The tax-deferred accumulations shown above would be reduced if these fees had been deducted.

2. Take a withdrawal[2]

You've decided you're ready to access your money in the WDC. Now what? There are several flexible payout options available to you, but there may be tax implications depending on which one you choose.

Periodic payments

It's like getting a paycheck in retirement — you can choose the dollar amount and frequency.

Partial lump sum

Take what you need, when you need it.[3]

Full lump sum[4]

While you have immediate access to all your retirement savings, taking it out all at once could come with a hefty price tag. Taking a full lump sum withdrawal could leave you with less money than you are expecting after taxes, as shown below. That's money that could potentially keep growing, thanks to potential compound growth.

Tax impact of taking a full lump sum[5]	
Account balance	$50,000
Federal income tax	
Mandatory withholding of 20%	($10,000)
Due at tax time, additional 5%	($2,500)
Potential total (less taxes)	$37,500

FOR ILLUSTRATIVE PURPOSES ONLY.

The WDC is responsible for issuing your 1099-R. You will be mailed a Form 1099-R postmarked by January 31 of the year following any year in which you receive a distribution. If you do not receive a Form 1099-R by February 15 after a year in which you received a distribution, please call the WDC at **(877) 457-9327** to request a duplicate.

2 Withdrawals may be subject to ordinary income tax. A 10% early withdrawal penalty may apply to withdrawals made prior to age 59½. The 10% federal early withdrawal penalty does not apply to the 457 plan withdrawals except for withdrawals attributable to rollovers from another type of plan or account.

3 If you wish to receive a partial lump-sum payment, complete a distribution request for the amount you wish to receive.

4 Funds rolled over to a Roth IRA are subject to income tax.

5 Assumes a 25% federal income tax bracket. The information in this material is not intended as tax, financial planning or investment advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

3. Roll over your money

If you are thinking of consolidating accounts, you have several options.

Transfer your account balance to a different qualified retirement savings plan

Most 401(a), 401(k), 403(b), and 457(b) plans as well as IRAs/Roth IRAs permit participants to roll funds into them.[6] Make sure your new employer's retirement plan accepts such rollovers and you're familiar with all the guidelines. Or, depending on your situation, you may choose to roll over your account balance to a traditional IRA or a Roth IRA (or both if applicable).

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.

Roll your WDC account to a WDC Roth account

You may convert before-tax WDC dollars to WDC Roth dollars. You will be responsible for income taxes on the amount rolled over — and earnings will only be tax free starting five years after the rollover.

Remember, WDC Roth accounts are subject to RMD rules.

Roll money into your WDC account

You can roll approved balances from a previous employer's plan or traditional IRA into your WDC account, even after you leave employment, as long as you still have a balance in your WDC account.[7]

*If you are a beneficiary who has inherited a WDC account, please contact us at **(877) 457-WDCP (9327)** to discuss your options.*

6 Governmental 457 dollars rolled over to another type of plan or account may be subject to the 10% federal early withdrawal penalty upon distribution from the non-457 account prior to the investor reaching age 59½.

7 Money from other types of plans or accounts that are rolled over into a governmental 457 plan may still be subject to the 10% federal early withdrawal penalty upon distribution from the 457 account prior to the investor reaching age 59½.

... and here to help!

Before you make any decisions, remember you — and your retirement savings — have a home right here in the WDC. You can always schedule a personalized retirement review with your RPA to evaluate your:

- Spend-down strategy
- Investment strategy
- Retirement age
- Retirement income needs
- Sick/vacation time contributions[1]

Schedule your appointment online today at **www.wdc457.org**!

Is your beneficiary information up to date? *Now is also a good time to review your WDC beneficiary information. It's quick and easy to do at **www.wdc457.org**.*

1 If allowed by your employer, accumulated sick, vacation and back pay may be deferred to the WDC.

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