



# MISSISSIPPI DEFERRED COMPENSATION Plan Highlights

**Mississippi Deferred Compensation (MDC) can help you save more for the retirement you want — and it makes saving automatic.**

## How is saving with MDC different than saving on my own?

It's never too early to start planning for the future you want, and participating in MDC can make saving for that future much easier.

MDC allows you to save a portion of each paycheck for your retirement. You might wonder, "How is saving through MDC different than saving on my own?" With MDC, you save money on a pre-tax basis, which means your savings are deducted from your paycheck before any taxes are taken out. The deductions happen automatically. You don't have to remember to set that money aside on your own — and you always pay yourself first with each paycheck.

Also, participating in MDC can help you build savings momentum. You can invest the money you save in the MDC's Investment Options (discussed later in this document), and any earnings from your savings are reinvested. You don't pay taxes on the money you contribute or on any earnings your contributions generate until you make a withdrawal (also called a "distribution"). Distributions are subject to ordinary income tax.

You may also qualify for a federal income tax credit by participating in MDC. For more information about this tax credit, please contact an Empower Retirement™ representative.\*

## Who can participate?

If you are a current full- or part-time employee, an elected official, or an independent contractor with the state of Mississippi or one of its participating political subdivisions, you are eligible to enroll and begin building your savings with MDC today.

## How do I enroll?

It's easy to get started. You just need to complete and return an enrollment form. You can find the form on the website at [www.mdcpplan.com](http://www.mdcpplan.com). Fill it out and return it to MDC. You'll be on your way to reaching your retirement goals — and after you get in the habit of saving, you may not even notice the difference in your take-home pay.

## How much can I contribute each year?

You may defer as little as \$25 per month. In 2015, the maximum amount you may defer is the lesser of 100 percent of includible compensation or \$18,000.

If you are nearing retirement age, you may be eligible to save more. The Standard Catch-Up provision allows people to contribute up to double the annual contribution limit, or \$36,000, in the three calendar years prior to normal retirement age. The amount that you may be able to contribute with this option depends on the amounts that you were eligible to contribute in previous years but did not.

If you are age 50 or older in 2015, the Age 50+ Catch-Up provision allows you to contribute an additional \$6,000. Please note that you may not use the Standard Catch-Up provision and the Age 50+ Catch-Up provision in the same year.

## How do I stay informed about my account?

After you enroll and start making contributions, you'll want to keep tabs on your account and the performance of your investments. Each quarter, MDC will provide you with a statement showing your account balance and activity. You can also check your account balance and move money among investment options online at [www.mdcpplan.com](http://www.mdcpplan.com).<sup>1</sup>

\* Representatives of GWFS Equities, Inc. are not registered investment advisors and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

### How soon will I be vested?

With your MDC account, your contributions and any earnings are always 100 percent vested (including rollovers from previous employers). Vesting refers to the percentage of your account you are entitled to receive when you retire or experience what's known as a "distributable event" (see below for more information).

### What are my investment choices?<sup>2</sup>

With MDC, you can build a diversified portfolio that fits your saving and investing goals using a wide selection of investment options. You can find out more about each option with the MDC's fund sheets and at [www.mdcplan.com](http://www.mdcplan.com), or you can call the voice response system toll free at **(800) 846-4551**. The website and voice response system are available 24 hours a day, seven days a week.<sup>1</sup>

### Do I need a PIN to access my account?

You need your Personal Identification Number<sup>3</sup> (PIN) to change how you invest your contributions from each paycheck and to move all or a portion of your existing balances among investment options (subject to MDC rules).<sup>1</sup> You can do those things online or over the phone. To access the website, you will need your PIN and a username of your choice. To access the voice response system, you'll need your PIN and Social Security number.

### Can I combine other accounts with my MDC account?

For many people, combining accounts from previous employers makes it easier to manage their retirement savings and track their progress. If you have a balance in an eligible governmental 457(b), 401(k), or 403(b) plan or an Individual Retirement Account (IRA), you may be able to roll that money into your MDC account.<sup>4</sup>

### How do I access my money?

Remember, the money you save through the MDC is yours — and you can access your money for any of the following reasons:

- Retirement
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Death (your beneficiary receives your benefits)
- Unforeseeable emergency (as defined by the Internal Revenue Code)

These are known as "distributable events." Distributions may be made to purchase permissive service credit. Each distribution is subject to ordinary income tax. Distributions you receive prior to age 59½ from money sources other than governmental 457(b) money sources may be subject to the 10 percent early withdrawal federal tax penalty.



### Are there early withdrawal penalties?

You pay no penalties for eligible withdrawals of 457(b) money. Any withdrawals will be taxed as ordinary income and will be subject to a 20 percent mandatory withholding. Mississippi state income tax will also be withheld.

### What are my distribution options?

When it's time to access your money, you'll have a choice to make: Do you want it all at once, or would you rather access it gradually over time? You can choose the option that makes the most sense for you.

### With the MDC, you can receive payments in the following ways:

- Periodic payments
- Fixed annuity payments
- Partial lump sum with remainder paid as periodic payments or annuity payments
- A lump sum

Keep in mind, you have the option of leaving some or all of the value of your MDC account until a future date. You may also be eligible to roll over your account balance to an eligible retirement plan or IRA.<sup>4</sup>

## What fees do I pay?

**Distribution Fees** – When you take a distribution, you have several delivery options available to you:

- Check by U.S. Postal Service mail
  - Estimated delivery time is 7-10 business days
  - No additional charge
- Check by Express Delivery
  - Estimated delivery time is 1-2 business days
  - Additional \$25 non-refundable charge
- Direct Deposit via Automated Clearing House
  - Estimated delivery time is 2-3 business days
  - Additional \$15 non-refundable charge
- Wire Transfer
  - Estimated delivery time is 1-2 business days
  - Additional \$40 non-refundable charge
- EXCEPTION
  - There are no delivery fees if you choose periodic payments via direct deposit

**Investment Option Fees** – Each MDC investment option has an associated investment management fee that varies by investment option. These fees pay for trading of securities within the investment options and other management expenses. The investment option's management company deducts the fees before the daily price or performance is calculated.

Funds may also charge redemption fees on certain transfers, redemptions, or exchanges. Asset allocation funds generally include a fee for fund operating expenses, as well as prorated fund operating expenses for each underlying fund in which they invest. For more information, please refer to the fund prospectus and/or disclosure document. Funds are subject to the risks of the underlying funds.

You may also pay a recordkeeping or administrative fee for investing in certain investment options. For more information about any potential investment option fees, please contact MDC or visit [www.mdcpian.com](http://www.mdcpian.com) to review the online prospectuses of applicable funds.

**Recordkeeping/Administrative Fees** – You pay an administrative fee of \$4.25 per month. For new MDC participants, the annual recordkeeping and communication fee will not be assessed for 365 days after the date the new participant is effective on MDC's new recordkeeping system. However, if a new participant takes a full withdrawal in the first 365-day period, a fee of \$4.25 will be charged. This fee represents one month of the annual recordkeeping and communication fee.



## Where can I find more information?

Visit the website at [www.mdcpplan.com](http://www.mdcpplan.com) or call the voice response system toll free at **(800) 846-4551** for more information. The website provides financial calculators and educational tools to help you plan for a better retirement.



1 Access to the voice response system and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website and/or the voice response system received on business days prior to close of the New York Stock Exchange (4 p.m. ET or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

2 All information contained on the website, in prospectuses, and in other investment option documents is offered in English.

3 The account owner is responsible for keeping their PIN/Passcode confidential. Please contact Client Services immediately if you suspect any unauthorized use.

4 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.

If there are any discrepancies between this document and the MDC Plan Document, the MDC Plan Document will govern.

### **Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.**

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