



## CITY OF SAN JOSE DEFERRED COMPENSATION PLAN DISCLOSURE STATEMENT

The voluntary Deferred Compensation Plan is designed to help employees accumulate retirement savings through biweekly pre-tax and/or post tax (Roth) contributions.

1. Internal Revenue Code Section 457(b) states that money can be taken out of the Plan only under the following circumstances (qualifying events):

	Pretax	Roth	PTC
• Retirement/separation from City service	30 days	30 days + age 59 ½ +5 years since contribution	30 days
• Active Employee & age 59 ½ and older	X	X	
• Unforeseeable emergency	X	X	
• Borrowing (utilizing the loan provision)	X		
• Purchase prior service credits	X		X
• Death (payout to designated beneficiary(ies))	X	X	X

2. Representatives of the City's current provider (Voya) are registered with the Financial Industry Regulatory Authority (FINRA).
3. Current investment fees are posted on the Human Resources Deferred Compensation website at: [www.sanjoseca.gov](http://www.sanjoseca.gov). The investment performance on variable products\* is the net of expenses.  
**\* Variable products (mutual funds and variable portfolios): Neither the principal nor interest is guaranteed. The participant assumes the risk of investment performance. Cash values can fluctuate daily.**
4. The minimum bi-weekly payroll contribution is \$25.00. The annual maximum contribution cannot exceed the current IRS limit. The maximum limit for 2022 is \$20,500. Contributions can be up to 100% of gross compensation, but not exceed the applicable limit.
5. Contributions or transfers received in good order by 1:00 p.m. PST/PDT are applied to the chosen investment option(s) the day of receipt. Contributions received after 1:00 p.m. are applied the next business day. There is no charge to transfer money between funds. However, the number of transfers may be limited according to the provider's frequent trading policy and some funds may require a minimum holding period.
6. Participants are eligible to consolidate/roll over other retirement accounts (401(a), 401(k), 403(b), 457(b), and traditional IRAs) from previous employers into CSJ 457 Deferred Compensation Plans. Please reach out to your Voya representative for assistance.
7. Upon separation from employment, funds may be rolled into other retirement plans. Certain IRAs, 401(a), 401(k), or 403(b) plans permit roll-overs from a 457(b) plan. Money rolled into these retirement plans may be subject to the rules of those plans, including any age-based early distribution penalties.
8. Payments from the Deferred Compensation Plan pre-tax plan are taxed as ordinary income when distributed. Section 457(b) Deferred Compensation Plans have no early withdrawal penalties based on age if withdrawn from pre-tax plan. Roth option does have an age-related early penalty withdrawal.