GET TO KNOW MO DEFERRED COMP

Your State of Missouri Retirement Savings Plan

Key Plan Features

THE BASICS

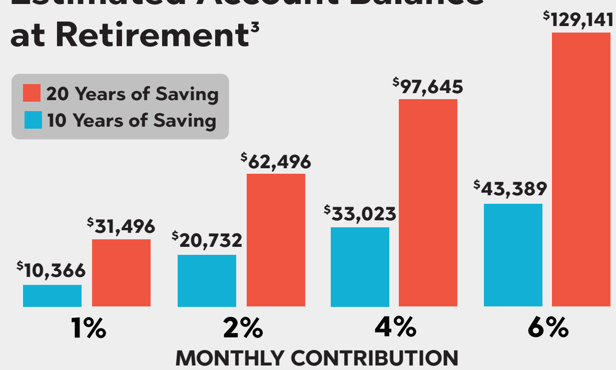
- Your income in retirement will come from three primary sources: your defined benefit pension, Social Security, and personal retirement savings.
- Deferred comp is one of the **lowest-cost plans in the nation**!
- You have the opportunity to contribute to deferred comp and receive the state match up until you retire.
- You can withdraw your 457 contributory source funds **penalty-free** after you leave state employment.

ELIGIBILITY AND ENROLLMENT

If you are a state employee, you are immediately eligible to save with the MO Deferred Comp Plan. **To help you get started, new full- or part-time employees automatically begin contributing 1% pretax per paycheck to their deferred comp account**.[1]

The average state employee[2] saves roughly 6% per paycheck.

Estimated Account Balance at Retirement[3]



Use the *Savings-to-Income* calculator at modeferredcomp.org to estimate your future balance.

PLAN COSTS

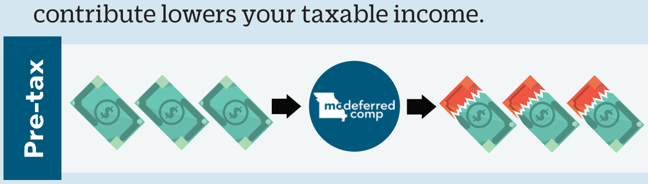
- **Administration:** $1.75 a month, plus 0.08% of assets
- **Investment Management:** 0.08% to 0.21%

Contributing to Your Retirement Savings Account

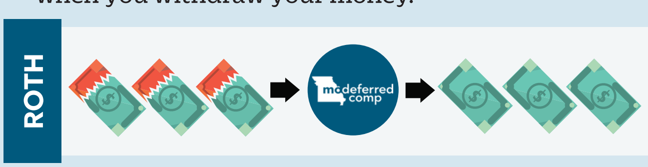
CONTRIBUTION OPTIONS

With deferred comp, you have the opportunity to **save with pretax and Roth (after-tax)** contributions.

1. **Pretax contributions** are taxed when you withdraw your money. Every pre-tax dollar you contribute lowers your taxable income.



2. **Roth contributions** are taxed now instead of when you withdraw your money.



2026 IRS Annual Contribution Limits	
Maximum Deferral — Under Age 50	$24,500
Age 50 and Over Catch-Up	$32,500
Age 60-63 Catch-Up	$35,250
Pre-Retirement Catch-Up	$49,000

ADDITIONAL INFORMATION

- You can save with either a **flat-dollar** or a **percent-of-pay contribution**.
- **You may roll money into deferred comp** from a qualified retirement plan — 457(b), 401(a), 401(k), 403(b), traditional IRA, and BackDROP. Roth IRA assets cannot be rolled into a 457(b) plan.
- If your agency allows it, **you can contribute your comp time pay to your deferred comp account at any point in your career**.

[1] Automatic enrollment excludes universities and previous temporary or seasonal non-benefit eligible employees. [2] Data refers to the average 25-year employee. [3] Assumes starting salary of $35,000, 2% annual salary increases, 6% annual rate of return, and a monthly match up to a maximum of $75. Illustration is for hypothetical purposes only. Your return could be higher or lower.

The Match

If you contribute **at least $25 a month** to your deferred comp account, the **state of Missouri** will match your contributions dollar for dollar up to a **maximum of $75 each month**.[4]

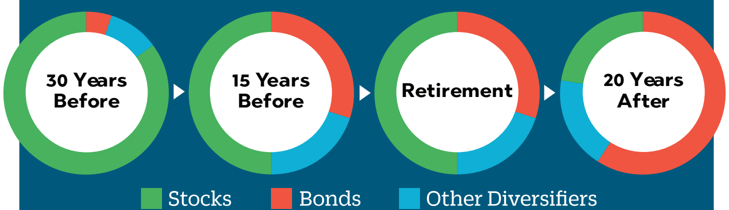
Your Monthly Contribution	+	Monthly State Match	=	TOTAL Monthly Contribution	Balance in 10 Years[5]	Balance in 25 Years[5]
$20		$0		$20	$3,278	$13,850
$25.67		$25.67		$51.34	$8,414	$35,578
$50.89		$50.89		$101.78	$16,680	$70,533
$75		$75		$150	$24,582	$103,949
$104.56		$75		$179.56	$29,426	$124,434
$302		$75		$377	$61,783	$261,259

[4] The match is subject to annual approval of the state's budget. College and university employees are not eligible to receive the match. [5] Assumes 6% annual return. Illustration is for hypothetical purposes only. Your return could be higher or lower.

Investment Options

1 TARGET DATE FUNDS

MO Deferred Comp has 13 target date funds, each containing a mix of stocks, bonds, and other investments. The funds **automatically rebalance** from higher levels of risk to more conservative as you move to — and through — retirement.



2 STABLE INCOME FUND

The stable income fund is a fixed-income, cash-like investment option for those with a *low tolerance for risk*. This option seeks to protect your principal balance and aims for steady growth over time without experiencing daily market fluctuations.

3 SELF-DIRECTED BROKERAGE ACCOUNT

This option is for hands-on investors who prefer to build their own portfolio. Through your brokerage account, you will have access to most individual stocks and bonds and more than 13,000 mutual funds. There is **no charge** to open an account. Restrictions do apply.

Need help? Visit modeferredcomp.org to schedule a short 30-minute meeting with your local financial education professional. Get answers to your retirement savings questions, review your account, learn about your investment options, and more.

Saving with a percent of pay instead of a flat-dollar amount can help you save more for retirement.

Withdrawing Your Money

WHILE EMPLOYED

You may **not** withdraw money from deferred comp while employed with the state, unless:

- You experience and meet the IRS criteria for an **unforeseeable emergency withdrawal**.
- If your account balance is $5,000 or less and you have not made a contribution for two years, you may take a *one-time*, in-service withdrawal.
- If you have attained the age of 70 ½, you can take up to two withdrawals in a calendar year.

AFTER LEAVING THE STATE

- You may take a full or partial withdrawal, set up recurring payments, or roll your balance to an IRA or another employer plan.
- The IRS requires you to begin taking **required minimum distributions** from your tax-deferred accounts no later than April 1 following the year you turn 73. Roth assets are excluded.
- You will receive a payout from MO Deferred Comp if your 457(b) account balance is less than $1,000 and you have not made a contribution in two years OR if your 401(a) account is less than $1,000.

TAX CONSEQUENCES & PENALTIES

- **You can withdraw your 457 contributory source funds penalty-free after you leave the state.**
- All withdrawals from the plan will be subject to federal and state income taxes, with the exception of a rollover to another eligible retirement plan and some Roth 457 contributions.
- Deferred comp will withhold 20% for federal tax purposes at the time of payment on all withdrawals that cannot be rolled over.
- Withdrawals made prior to age 59 ½ from your 401(a) state incentive account may be subject to a 10% early withdrawal penalty.