

# GET TO KNOW MO DEFERRED COMP

Your State of Missouri Retirement Savings Plan



## Key Plan Features

### THE BASICS

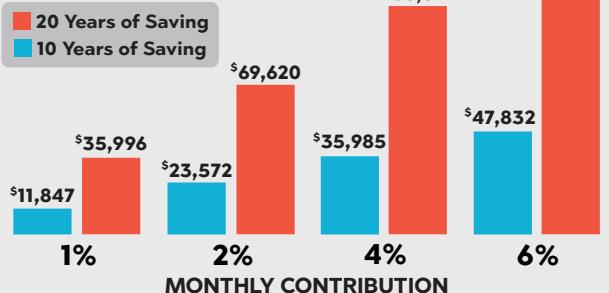
- Your income in retirement may come from three primary sources: your defined benefit pension, Social Security, and personal retirement savings.
- Deferred comp is one of the **lowest-cost plans in the nation!**
- You have the opportunity to contribute to deferred comp and receive the state match up 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% pre-tax per paycheck to their deferred comp account.<sup>1</sup>**

**The average state employee<sup>2</sup> saves roughly 6% per paycheck.**

### Estimated Account Balance at Retirement<sup>3</sup>



Use the *Savings-to-Income* calculator at [savingsincome.modeferreredcomp.org](http://savingsincome.modeferreredcomp.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 can save with either a **flat-dollar** or a **percent-of-pay contribution**. You also have the opportunity to **save with pre-tax and Roth (after-tax) contributions**.

1 **Pre-tax 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	\$35,750
Pre-Retirement Catch-Up	\$49,000

Starting in 2026, the IRS is requiring employees with 2025 wages over \$150,000 to make age-based catch-up contributions—both the Age 50 and Over and the Age 60–63 Catch-Up—to a Roth account.

### ADDITIONAL INFORMATION

- 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.**

# The Match

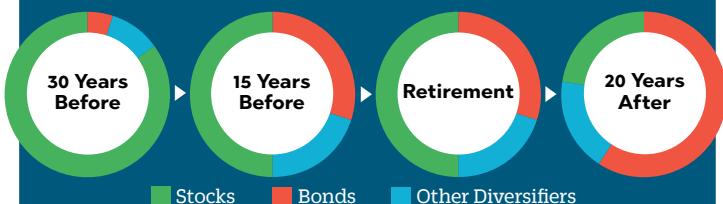
If you contribute **at least \$25 a month** to your deferred comp account, the **state of Missouri** will match your contributions dollar for dollar up to a **maximum of \$75 each month.**<sup>4</sup>

Your Monthly Contribution	Monthly State Match	TOTAL Monthly Contribution	Balance in 10 Years <sup>5</sup>	Balance in 25 Years <sup>5</sup>
\$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

## 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 [www.modeferredcomp.org](http://www.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.

## 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.

1 - Automatic enrollment excludes universities and former temporary or seasonal non-benefit-eligible employees.; 2 - Data reflects the average 25-year employee.; 3 - Assumes a \$40,000 starting salary, 2% annual increases, 6% annual return, and a monthly match up to \$75. For illustrative purposes only; actual returns may vary.; 4 - The match is subject to annual state budget approval. College and university employees are not eligible.; 5 - Assumes a 6% annual return. For illustrative purposes only; actual returns may vary.