

GET TO KNOW MO DEFERRED COMP



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 until you retire.
- You can withdraw your 457 contributory source funds **penalty-free** after you leave state employment.
- You have access to the plan's financial education professionals before and during retirement.

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.**¹

Estimated Account Balance at Retirement²



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 (as reported in Box 3 of your W-2) to make age-based catch-up contributions — both the Age 50 and Over and the Age 60-63 Catch-Up — as Roth contributions.

ADDITIONAL INFORMATION

- If your agency allows it, you can **contribute comp time pay** at any time during your career.
- **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.

¹ Automatic enrollment excludes universities and former temporary or seasonal non-benefit-eligible employees.

² Assumes a \$40,000 starting salary, 2% annual increases, and 6% annual return. For illustrative purposes only; actual returns may vary.

Register Your Account

Set up your username and password to unlock 24/7 account access while adding an extra layer of security. **Once registered, you can change your contributions, view your balance, update your personal details, and manage your account anytime, anywhere.** Scan the QR code, then click the **Register Now** button to create your online credentials.

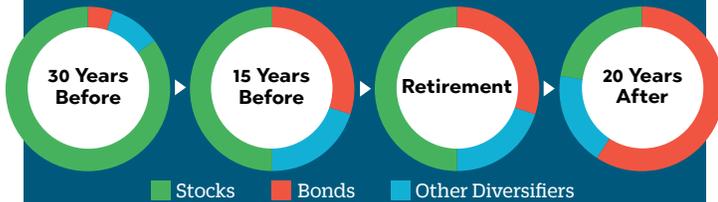


The average state employee³ saves 6% per paycheck. Is that enough for you? Use the **Savings-to-Income Calculator** at www.modeferredcomp.org to find out how much you need to save and see what your future balance could look like.

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-interest 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 deferred comp's website, 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.

³ Data reflects the average 25-year employee.