

PST Retirement Newsletter



The enclosed statement includes an account summary covering July 1, 2022 through December 31, 2022. Beginning in 2023, you will receive an annual statement each February that covers January 1 through December 31.

What is PST?

PST is a mandatory retirement savings program for employees hired by the State of California or the California State University (CSU) system on a part-time, seasonal, or temporary basis whose wages are not covered by Social Security or eligible to participate in the California Public Employees' Retirement System (CalPERS). Review the PST Fact Sheet available at savingsplusnow.com for more information and the complete list of "Employees Excluded from PST."

Where is my PST contribution invested?

Your PST contribution (7.5% of your gross wages) is deducted from your pay before taxes and invested for you in the Short Term Investment Fund, STIF-PST, a capital preservation fund.

Your employer does not contribute to your PST account or match your PST contributions. Your account balance is limited to the amount you contribute plus attributable earnings or losses.

Savings Plus does not charge participants an explicit administrative fee for PST. Instead, departments pay an administrative fee for each active PST employee. The estimated cost of investment management fees is 0.08% annually. Additionally, there is a nominal custodial/trustee fee and an administrative expense reimbursement of 0.30% annually, effective July 1, 2022. Fees are netted out of the investment fund's performance.

How do I set up my online account?

To set up your online account for the first time go to savingsplusnow.com:

- Select **Login** in the upper right corner of the landing page
- Log in with your Social Security number (SSN), account number, and date of birth and select *continue* (this is the first and last time you will use your SSN to log in to your account)
- Create your preferred username and password (cannot be your SSN)
- Choose and answer security questions

Your account number can be found on the first page of your statement. Your online account is a secure site. With new online tools and resources, you can control and manage your account from your computer or mobile device.

Can I contribute to the Savings Plus 401(k) or 457(b) Plans?

As an active participant in the PST program you are also eligible to enroll and contribute to the 401(k) and 457(b) Plans. The 401(k) and 457(b) Plans provide you an opportunity to invest a portion of your salary on both a pre-tax and Roth basis and provide you the flexibility to select from an array of investment options. There are a few easy ways to enroll:

- Text the key word “SavingsPlus” to 877697, you will receive a message that says, “Glad you are ready! Enroll now at”, with a link to enroll.
- Log in to savingsplusnow.com, select enroll
- Log in to savingsplusnow.com and download an **Enrollment Form**

What if I become a CalPERS member?

If your employment status changes and you become a CalPERS member, your PST deduction stops and a CalPERS retirement deduction begins. Once we identify your CalPERS eligibility, we establish a 457(b) Plan account for you, if you don't already have one established. We then transfer 100% of your PST assets approximately 75 days after notification of eligibility or adjustment posts to your PST account. You will receive a notice confirming the transfer of your PST account balance to the Savings Plus 457(b) Plan.

If your PST account already transferred to a 457(b) Plan, visit savingsplusnow.com to learn more about the 457(b) Plan and the investment options available to you.

When may I take a withdrawal?

You are eligible for a distribution of your PST assets after you separate from all state employment. You may withdraw your full account balance 90 days after the last transaction posts to your account. If your PST account already transferred to a 457(b) Plan, visit savingsplusnow.com to learn more about the 457(b) Plan withdrawal guidelines.

Because of possible tax consequences associated with retirement plan distributions, you may want to consult a tax advisor before you decide to take a withdrawal.

What are my payment options?

Direct payment: This option may allow for 100% of your account balance to be made payable directly to you. Choose direct deposit—a fast, simple, and secure way to have your payment deposited automatically into your checking or savings account. Direct payments are reported as ordinary income in the year you received them.

Rollover: This option may allow for the rollover of funds in your PST account to an individual retirement account (IRA), 401(k), 403(b), or 457(b) Plan.

What should I know about withdrawals?

- Direct payments are subject to a mandatory 20% federal tax withholding
- California State taxes are generally withheld at the rate of 10% of federal tax withholding
- Direct payments to you are reported to the IRS as ordinary income
- Direct rollover payments to qualified pre-tax plans are reported as nontaxable
- Savings Plus mails your IRS Form 1099-R by January 31 of the year following your distribution

What if I leave state employment?

If you leave state employment, your PST payroll deductions stop. You may request a distribution of your PST assets by downloading and completing the **PST Benefit Payment Booklet** in the **Forms/Publications/Governing Documents and Reports** section at savingsplusnow.com. Or, contact the Savings Plus Solutions Center for your distribution request. After three years of no activity into or out of your account, we consider your account dormant.

After two years of inactivity and if your account balance does not exceed \$1,000, Savings Plus will distribute the balance of your account to you in a lump sum, even if you do not request a distribution.

What if my account becomes dormant?

To comply with California State law, Savings Plus transfers dormant PST account assets if the account balance exceeds \$1,000 to the State Controller's Office (SCO) Unclaimed Property Division, after 3 years. To search for and to claim assets sent to the SCO, visit sco.ca.gov. Under the Public Services tab, select **Unclaimed Property**.

How do I designate a beneficiary?

The fastest way to designate a beneficiary is to log in to your secure PST account. To verify your current designation on file, log in to your online account and select **View account** on the top left hand side and select **Beneficiaries** under **Account information**.

You may view your beneficiary designations anytime on the Savings Plus website or on your PST account statement. If you do not designate a beneficiary, it will indicate "No beneficiary on file." If you do not have a beneficiary designation on file, your PST assets will be paid according to our hierarchy in the event of your death.

What if I move?

If your mailing address changes and you are still employed with the state, notify your personnel office of your new address.

If you are no longer employed with the state, you have two ways to change your address with Savings Plus:

- Online at savingsplusnow.com
- Contact Savings Plus toll-free at (855) 616-4776



savingsplusnow.com



**Savings Plus
Solutions Center**
(855) 616-4776
(800) 848-0833 (TTY)
5 a.m. - 8 p.m. PT



**Savings Plus
Walk-in Center**
1810 16th Street,
Room 108
Sacramento, CA 95811
8 a.m. - 5 p.m. PT



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