



DEFERRED COMPENSATION PLAN SUMMARY INFORMATION

QUESTION	457(b) PLAN		401(a) PLAN
	Traditional Pretax Contributions	Roth Contributions	
Who is eligible to participate?	Any state of Arizona employee receiving compensation.		All full- and part-time State employees, excluding independent contractors.
When may I enroll in the plan?	You may enroll in the plan at any time during your employment with the State. Contributions are generally effective with the first paycheck of the following month.		You may only enroll up to (but not after) the latest of these qualifications: 2 years from date of hire, 2 years from your 40th birthday for all employees or 2 years from your 30th birthday if you are a public safety employee.
Who is the plan's administrative services provider?	Nationwide Retirement Solutions		
How are my contributions made to the plan?	You must select a dollar amount to be deducted from your paycheck and contributed to the plan. Contributions may be made as pretax, Roth or a combination of the pretax and Roth contributions. You may request a change in the dollar amount at any time to become effective with the first paycheck of the following month.		You must select a minimum 1% of your salary to be contributed to the plan. Once chosen, the election is irrevocable.
Are my contributions to the plan pretax or after-tax (Roth)?	Pretax (subject to taxation when distributed from the plan).	After tax (taxed when contributed to the plan). ¹	Pretax (subject to taxation when distributed from the plan).
When am I vested in the plan?	Immediately.		
What is the maximum amount that may contribute to the plan each year?	The lesser of 100% of your compensation or \$22,500 in a calendar year (combined traditional pretax and Roth contributions)		The lesser of \$66,000 or 100% of your compensation.
When can I use the Age 50 Catch-Up Provision?	You may contribute additional amounts in the year you attain age 50 or older and not using the special 3-year catch up provision in the same year. \$7,500 in a calendar year (combined traditional pretax and Roth catch-up contributions)		Not available.
When can I use the 3-Year Catch-Up Provision?	You may contribute additional amounts during the 3 years prior to the year you reach normal retirement age if you did not defer the maximum allowed in 1 or more years that you were eligible to participate in this plan since 1979. This catch-up amount plus the annual deferral limit cannot exceed: \$45,000 in a calendar year (traditional pretax and Roth special catch-up contributions)		Not available.
Can I suspend my contributions?	YES		Contribution amounts elected by Eligible Employees are irrevocable, and may not be increased or decreased by the Employee.
Can I take a de minimis withdrawal?	Yes, if your account balance is \$5,000 or less; you have made no contributions for the previous 2 years; and you have not received a prior de minimis distribution from the plan.		NO
Are participant loans available?	YES	YES	YES
Can I obtain an unforeseeable emergency distribution?	Yes, subject to IRS and plan guidelines.		NO

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Can I take a distribution if I separate from service or retire?	Yes, you can either leave your money in the plan or select from the following payout options: partial or lump sum, systematic withdrawals, annuity payout, or roll over to another qualified plan or IRA.		
Are there any excise taxes for withdrawals?	There are no penalties for employee contributions. Money rolled in from another plan may have excise taxes associated.	Potential for nonqualified withdrawals; please see "How are my distributions taxed?"	Yes, if you separate from service under the age of 55, all withdrawals until you are 59½ will be subject to an additional 10% penalty in addition to ordinary income tax. Employees separating over the age of 55 will not have penalties on any money withdrawn.
How are my distributions taxed?	Distributions of pretax contributions are subject to ordinary income taxes, unless they are rolled over to another eligible plan or IRA. In addition, amounts which were rolled over into your 457(b) account from non-457(b) plans may be subject to income and excise taxes	Earnings from designated Roth contributions may be subject to income taxes and penalties upon distribution if the distribution is deemed to be nonqualified. A qualified distribution is a distribution that is made 5 years or more after January 1 of the calendar year in which the first Roth contribution was made, and you have attained age 59½, became disabled or died. In addition, designated Roth accounts which are rolled over into this account may be subject to income taxes and penalties if they are deemed nonqualified.	Distributions are subject to ordinary income taxes. Distributions prior to age 59½ may be subject to a 10% additional tax unless an exception applies or funds are directly rolled over to another eligible plan or IRA. Pretax contributions and earnings are subject to ordinary income tax and may be subject to a penalty tax prior to age 59½ unless an exception applies or they are rolled over to another eligible plan or to a IRA.
Are my beneficiaries eligible for a distribution upon my death?	YES.		
Can I roll over or transfer my funds to another 457(b), 401(a), 401(k) plan or IRA?	YES, after separation from service. Certain conditions may apply.	YES, after separation from service but only to another plan with a Roth account or to a Roth IRA.	YES, after separation from service. Certain conditions may apply.
May I change the way I receive my distributions?	YES.		
May I use my funds to purchase service credit in a governmental defined benefit plan?	YES. If the defined benefit plan will accept pretax and/or Roth funds for this purpose.		YES. If the defined benefit plan agrees to accept funds from this plan for this purpose.



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This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

This summary describes certain provisions of the Deferred Compensation Plans but does not cover all aspects of the plans. In the event of any conflict between this summary and the plans, the terms and conditions of the plans will control. Please contact the Deferred Compensation Center at 602-266-2733 if you have any questions.

¹ Per IRS regulations.

Source: IRS.gov.

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