

Be your employees' retirement champion

As an employer within the Commonwealth of Kentucky, you are in the best position to help employees understand the value of preparing for their retirement income needs through the Kentucky Deferred Compensation Program.

Almost 40% of Kentucky's eligible employees aren't taking advantage of this significant employee benefit. That's a lot of opportunity for future financial wellness left sitting on the table.

How to be their retirement champion

KDC provides unique retirement savings opportunities through 2 plans and 5 options that offer employees easy participation and flexibility. The available retirement plans include:

- 457(b) Plan (pre-tax) and Roth 457(b) (after-tax)
- 401(k) Plan - tax-deferred (pre-tax), which includes 3 after-tax options:
 - Roth 401(k)
 - Deemed Traditional IRA
 - Deemed Roth IRA

Questions to ask other providers

- Do your supplemental retirement plans include no employer costs?
- What fees do your participants pay?
 - Are participant fees capped at no more than \$237 per year?
- How do you ensure you are compliant with federal and state laws?
 - Are your Plan's risks being managed?
 - Have you thought about your fiduciary role?
- What are you doing to help your employees achieve a successful retirement?
 - Does your provider offer a highly rated mobile-responsive website?
 - Does your plan have a representative who will meet with participants one-on-one?
- Does your provider handle all services in-house or are some services outsourced?

Kentucky Deferred Compensation

1-800-542-2667

KDC website



Investing involves market risk, including possible loss of principal. Actual investment results will vary depending on your investment and market experience, and there is no guarantee that fund objectives will be met.

My Interactive Retirement Planner provides a hypothetical compounding example that is for informational purposes and is not intended to predict or project investment results of any specific investment. The potential accuracy of the estimated retirement income is contingent upon the accuracy of the information provided by the user. Assumptions do not include fees and expenses. If fees were reflected, returns would be lower.

KDC Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio. KDC Retirement Specialists cannot offer investment, tax or legal advice. Participants should consult their own counsel before making decisions about KDC participation.

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Why choosing KDC makes sense



The good people

- A local Retirement Specialist can come to you and your staff throughout the year
- Staffed offices in Frankfort are open for in-person and virtual/phone support meeting options
- Dedicated KDC staff, with the Personnel Cabinet, provide payroll and benefits support
- Phone support is available Monday through Friday, 8 a.m. to 11 p.m. ET



The Commonwealth's official supplemental retirement plan

- Over \$4.1 billion in plan assets affords low participant fees, capped at \$237 per year
- As a government agency, KDC operates like a nonprofit
- Investments are monitored by the KDC Board and independent investment consultants
- KDC administers plan compliance and risk management so employers can be assured that the retirement plan remains compliant with federal and state laws and regulations
- Plan sponsor support is available in Frankfort when needed



A focus on financial wellness

- Financial planning services are free
- KDC delivers personalized participant engagement messages
- Our interactive online participant portal offers educational materials and online processing
- We regularly produce Social Security, health care and distribution tax-planning webinars



My Interactive Retirement PlannerSM

- The Planner includes KY pensions data so employees can more accurately project their retirement readiness
- The Planner estimates personalized rates of return on participants' KDC investments



	457(b) PRE-TAX CONTRIBUTIONS	TRADITIONAL 401(k) PRE-TAX CONTRIBUTIONS	457(b) AND 401(k) AFTER-TAX CONTRIBUTIONS	DEEMED ROTH IRA AFTER-TAX CONTRIBUTIONS	DEEMED TRADITIONAL IRA AFTER-TAX CONTRIBUTIONS
Eligibility	Any employee of the Commonwealth of Kentucky as well as all public schools and universities. Other public employers are eligible under state statute and may elect to participate by submitting a Joinder Agreement to the Authority.	Any employee of the Commonwealth of Kentucky as well as all public schools and universities. Other public employers are eligible under state statute and may elect to participate by submitting a Joinder Agreement to the Authority.	Must be eligible to participate in the Authority 401(k) or 457(b) Plan.	Eligible and Active employees up to age 72 that are part of a Participating Employer in the Authority's Program. – or – Terminated and retired from public employment but who have taxable compensation from another source and who have not attained age 72 in the taxable year and desire to establish a Deemed Roth IRA account must have a minimum \$5,000 aggregate KDC account balance.	Eligible and Active employees up to age 72 that are part of a Participating Employer in the Authority's Program. – or – Terminated and retired from public employment but who have taxable compensation from another source and who have not attained age 72 in the taxable year and desire to establish a Deemed Traditional IRA account must have a minimum \$5,000 aggregate KDC account balance. May participate only through direct rollover/transfer. Annual contributions cannot be made.
Contribution minimums	\$30 per month minimum: \$7.50 per pay (weekly pay) \$15 per pay (biweekly pay) \$15 per pay (semimonthly pay) This minimum applies to the combined total of your 457(b) pre-tax and after-tax contributions.	\$30 per month minimum: \$7.50 per pay (weekly pay) \$15 per pay (biweekly pay) \$15 per pay (semimonthly pay) This minimum applies to the combined total of your 401(k) pre-tax and after-tax contributions.	\$30 per month minimum: \$7.50 per pay (weekly pay) \$15 per pay (biweekly pay) \$15 per pay (semimonthly pay) This minimum applies to the combined total of your 401(k) pre-tax and after-tax contributions or total 457(b) pre-tax and after-tax contributions.	\$30 per month payroll contribution or \$100 per month direct contribution	\$30 per month payroll contribution or \$100 per month direct contribution
Maximum annual contribution	\$20,500 per year	\$20,500 per year for all 401(k) and 403(b) plans; 401(k), Roth 401(k) and 403(b) combined contributions may total no more than \$20,500.	\$20,500 per year for all 457(b) plans; 457(b) and Roth 457(b) combined contributions may total no more than \$20,500.	After-tax, aggregate contribution of \$6,500 earned income per year. Maximum annual contributions coordinate with the Deemed Traditional IRA, as well as all other Traditional IRAs you may have established.	After-tax, aggregate contribution of \$6,500 earned income per year. Maximum annual contributions coordinate with the Deemed Roth IRA, as well as other Traditional IRAs you may have established.
Contribution method	Payroll deduction	Payroll deduction	Payroll deduction	Payroll deduction or direct pay via personal check, money order or certified check. Employers are not required to withhold.	Payroll deduction or direct pay via personal check, money order or certified check. Employers are not required to withhold.
Rollovers/transfers in (direct only)¹	Yes, transfers from another governmental 457(b) plan only.	Yes, transfers from another qualified plan.	Yes, but only a direct rollover from another Roth 457(b).	Can accept a direct rollover from another Roth IRA or Roth 401(k) account, but not from a Traditional IRA account unless in the form of a conversion. Can accept rollover from a qualified plan (but is subject to income tax).	Can accept a direct rollover from another Traditional IRA account or another qualified retirement plan [e.g., 401(k)], but not a Roth IRA.
Catch-up contribution	Age 50 catch-up: \$6,500 per year for age 50 catch-up.* Special catch-up: Up to twice the annual maximum (\$41,000 per year) for three-year special catch-up.* Cannot use both catch-up provisions in same year. * Limits are increased in \$500 annual increments for the age 50 catch-up (\$1,000 annual increments for the special catch-up) based on IRS cost-of-living adjustments.	Age 50 catch-up: \$6,500 per year and indexed in \$500 annual increments based on IRS cost-of-living adjustments thereafter; coordinates with all of your 401(k), Roth 401(k) and 403(b) contributions made during the calendar year.	Age 50 catch-up: \$6,500 per year for total to all 457(b) plans. Special catch-up: Up to twice the annual maximum (\$41,000 per year) for three-year special catch-up.* Cannot use both catch-up provisions in same year. * Limits are increased in \$500 annual increments for the age 50 catch-up (\$1,000 annual increments for the special catch-up) based on IRS cost-of-living adjustments.	Age 50 catch-up: \$1,000 in aggregate from all IRAs (both Traditional and Roth).	Age 50 catch-up: \$1,000 in aggregate from all IRAs (both Traditional and Roth).
Deductibility of contributions	No	No	No	No	Yes, but limited due to participation in an employer-sponsored retirement plan and Adjusted Gross Income (AGI) limits. Does not apply to nondeductible contributions.
Earnings	Grow tax-deferred while in account.	Grow tax-deferred while in account.	Grow tax-free while in account and there is no tax on qualified distributions.	Grow tax-free while in account and there is no tax on qualified distributions.	Grow tax-deferred while in account.
Distributions	Available upon severance from employment, retirement or in the year age 59½ is attained.	Available upon severance from employment, retirement or in the year age 59½ is attained.	Subject to same rules as the 457(b) and 401(k) plans. A distribution will be considered qualified and not subject to taxation if it meets the following conditions: The distribution is made on account of the participant's death, disability or attainment of age 59½ and The distribution is made 5 or more years after January 1 of the first year that the participant made a Roth contribution into the plan.	Available at any time (See "Taxes on distributions")	Available at any time (See "Taxes on distributions")
Taxes on distributions	Withdrawals are taxed as ordinary income. Not subject to an additional 10% early withdrawal tax.	Withdrawals are taxed as ordinary income. If withdrawn before age 59½, an additional 10% early withdrawal tax will apply unless an IRS exemption is met.	A distribution will be considered qualified and not subject to taxation if it meets the following conditions: The distribution is made on account of the participant's death, disability or attainment of age 59½ and The distribution is made 5 or more years after January 1 of the first year that the participant made a Roth contribution into the plan.	Contributions and earnings can be withdrawn at any time. A distribution will be considered qualified and not subject to taxation if it meets the following conditions: The distribution is made on account of the participant's death, disability or attainment of age 59½ and The distribution is made 5 or more years after January 1 of the first year that the participant made a Roth contribution into the plan.	Withdrawals may be subject to regular income tax. Withdrawals taken before age 59½ may be subject to a 10% early withdrawal excise tax. Other exceptions may also apply.
Required minimum distributions (RMDs)	Required at age 72	Required at age 72	Required at age 72. However, a Roth 457(b) or Roth 401(k) account may currently be rolled into a Roth IRA, which has no RMDs during the participant's lifetime.	Participants are not subject to RMDs during their lifetime. Beneficiaries are subject to RMDs.	Required upon reaching age 72.
Loans	Allowed	Allowed	Not allowed	Not allowed	Not allowed
Unforeseeable emergency/hardship withdrawals	Allowed (unforeseeable emergency standard)	Allowed (hardship standard)	Not allowed	Not allowed	Not allowed