



City of Phoenix Deferred  
Compensation Plans

Enhancements guide



Building better retirement plans  
—— so you can take better control of your future ——



# Let's start building a better future together.

Nationwide® and the City of Phoenix are prepared to deliver enhanced services designed to help you be successful through the City of Phoenix Deferred Compensation Plans.

Here's what you'll find on the following pages:

---

We're making a new commitment to help you prepare better for retirement.  
**Page 3**

---

Why Nationwide?  
**Page 3**

---

Our plans are designed to help you take control of your future.  
**Page 5**

---

Take more control of your planning through our website.  
**Page 7**

---

Take control of your future by enrolling in the City's Plans.  
**Page 9**

---

Continue taking control of your future in retirement.  
**Page 10**

---

We're dedicated to serving you better.  
**Page 11**

---

# We're making a new commitment to help you prepare better for retirement.

Recently, the City of Phoenix, in partnership with their Investment Consultant Hyas Group, engaged in a request for proposal (RFP) process to obtain third-party administration and recordkeeping services for the City's 457(b) Deferred Compensation Plan, 401(a) Defined Contribution Plan and PEHP® (Post Employment Health Plan).

Through this competitive bidding process, we're excited to announce the City of Phoenix and Nationwide® have negotiated and renewed the contract that brings you:

- Low expenses
- A robust menu of investment options
- Responsive, local plan service
- Enhanced educational opportunities
- Improved online tools and resources

We're prepared to deliver enhanced services designed to help you take control of your future through the City's Plans.

---

## WHY NATIONWIDE?

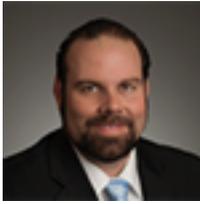


**We know you.** Nationwide® has served as administrator and recordkeeper for the City's supplemental retirement savings plans for many years. For more than 45 years, we have helped public employees prepare for and live in retirement.

**We're strong and stable.** We're a Fortune 100 company with a diverse corporate portfolio, disciplined investment approach and long-term vision that have helped us navigate economic ups and downs for 95 years.

**We're local.** We maintain an office in Phoenix at 3300 N. Central Ave., Suite 600, with three experienced Retirement Specialists ready to serve you. Our Retirement Specialists know Phoenix and are here to help you be successful in planning and preparing for retirement through your City of Phoenix 457(b) and 401(a) Plans and PEHP participation.

## Meet your Nationwide Retirement Specialists



**Matt Gayman**

Phone: 602-316-4329 | Email: [gaymanm@nationwide.com](mailto:gaymanm@nationwide.com)

**Departments:** Aviation, City Council & Staff, City Manager's Office, Convention Center, Planning & Development Services, Fire Department, Human Resources, Human Services Department, Library, Mayor's Office and Neighborhood Services

[Schedule an appointment online](#)

---



**Angie Diaz-Pavich**

Phone: 602-568-7019 | Email: [angie.diaz@nationwide.com](mailto:angie.diaz@nationwide.com)

**Departments:** City Attorney/Legal/Public Defender, City Clerk's Office, City Court, Finance Department, IT Department, Parks & Recreation, Public Transit, Public Works, Streets Department, Water Services

[Schedule an appointment online](#)

---



**Nancy Chavez**

Phone: 602-620-4812 | Email: [nancy@nationwide.com](mailto:nancy@nationwide.com)

**Departments:** Budget and Research, City Auditor's Office, Community & Economic Development, Equal Opportunity, Housing Department, Police Department, Employee Relations Board, Public Information, Retirement Office

[Schedule an appointment online](#)

---

## Meet your Personal Retirement Consultant



**Christina Lessard**

Phone: 480-332-8172 | Email: [lessac1@nationwide.com](mailto:lessac1@nationwide.com)

For participants preparing to transition into or already living in retirement, we offer a local Personal Retirement Consultant (PRC)<sup>®</sup> to help with financial planning.

PRC services are provided at no extra cost to participants.

[Schedule an appointment online](#)

To learn more about how we serve retirees and near-retirees, go to Page 10.

# Our plans are designed to help you take control of your future.

The City of Phoenix offers four plans you may be able use to build a better future. In addition to the descriptions below, you can compare our 457(b) and 401(a) plans by reviewing this [Plan Summary](#).

## **457(b) Plans**

The Traditional 457(b) Deferred Compensation Plan accepts pretax contributions through payroll deduction. You don't pay income taxes on contributions or earnings until you retire and/or begin to take payments from your account.

The Roth 457(b) Plan accepts after-tax contributions, but you'll enjoy tax-free withdrawals — as long as you're at least age 59½ and do not take withdrawals for at least five years after your first Roth contribution.

You can allocate all your per-pay contribution to either plan or a percentage to each plan. Combined traditional and Roth 457(b) contributions are subject to a maximum annual limit. You also may convert pretax contributions in your traditional 457(b) to your Roth account. You will need to pay taxes on converted funds in the tax year in which you convert the funds.

You choose funds from the list of investment options the City, in partnership with their Investment Consultant, has researched, selected and monitors for appropriateness for retirement investors. You can learn more about how to choose funds at our website.

## 401(a) Plan

The 401(a) Defined Contribution Plan is a tax-deferred retirement plan offered by the City to help employees create an additional resource for retirement income. The Plan has significant differences from the 457(b) plans, including specific eligibility requirements and a limited enrollment period, and once selected, the contribution percentage cannot be changed.

The Plan consists of three separate components:

- Non-Elective City Contribution (Fringe) – Automatic pretax employer contributions
- Supplemental – Voluntary irrevocable pretax employee contributions
- Special Pay – Mandatory pretax deferrals of eligible accumulated sick leave payouts of retiring employees

Note: The Public Safety Personnel Deferred Compensation 401(a) Defined Contribution Retirement Plan (PSPDCRP) is a different plan created for eligible members of the Public Safety Personnel Retirement System (PSPRS).

---

## PEHP® (Post Employment Health Plan)

PEHP is a health reimbursement arrangement that puts aside money for you now to help pay for qualified medical expenses later.<sup>1</sup>

- You get an individual account that's funded solely by City contributions of \$150 per month
- You choose how to allocate the contributions among an array of investment options
- Your account grows on a tax-free basis

When you retire or separate from service with the City, you can submit claims to Nationwide, with required documentation, to obtain a reimbursement from assets in your PEHP account for qualified medical expenses later.<sup>1</sup>

For more information about PEHP, review this [PEHP Fact Sheet](#).

Note: This is separate from the Phoenix Law Enforcement Association (PLEA) PEHP.

<sup>1</sup> Employees are eligible to enroll in the PEHP Plan if hired on or after August 1, 2007 or if hired prior to August 1, 2007, and are eligible to retire no sooner than 15 years after that date AND pay City medical insurance premiums.

# Take more control of your planning through our website.

In the coming months, you will notice significant changes in phoenixdcp.com, the City of Phoenix Deferred Compensation Plans website. It will be designed so you can find and get to what you're looking for more quickly and easily.

The phoenixdcp.com website has a wealth of retirement planning information, articles, videos and easy-to-use tools to answer your questions about retirement planning.



## **How much money will I need in retirement?**

Use our [My Interactive Retirement Planner](#)<sup>SM</sup> to account for your retirement savings, pension and Social Security income, identify potential retirement income gaps and explore scenarios that can help you set a retirement savings goal. A new enhancement within My Interactive Retirement Planner called Asset Aggregation allows you to link in outside assets and to automatically pull in updated balances for an up-to-date, more holistic retirement readiness outlook.

## **Am I contributing enough?**

Enter your numbers into the [Future Value Calculator](#) to see how your retirement savings may grow over time.

## **Can my budget accommodate an increase in my contributions?**

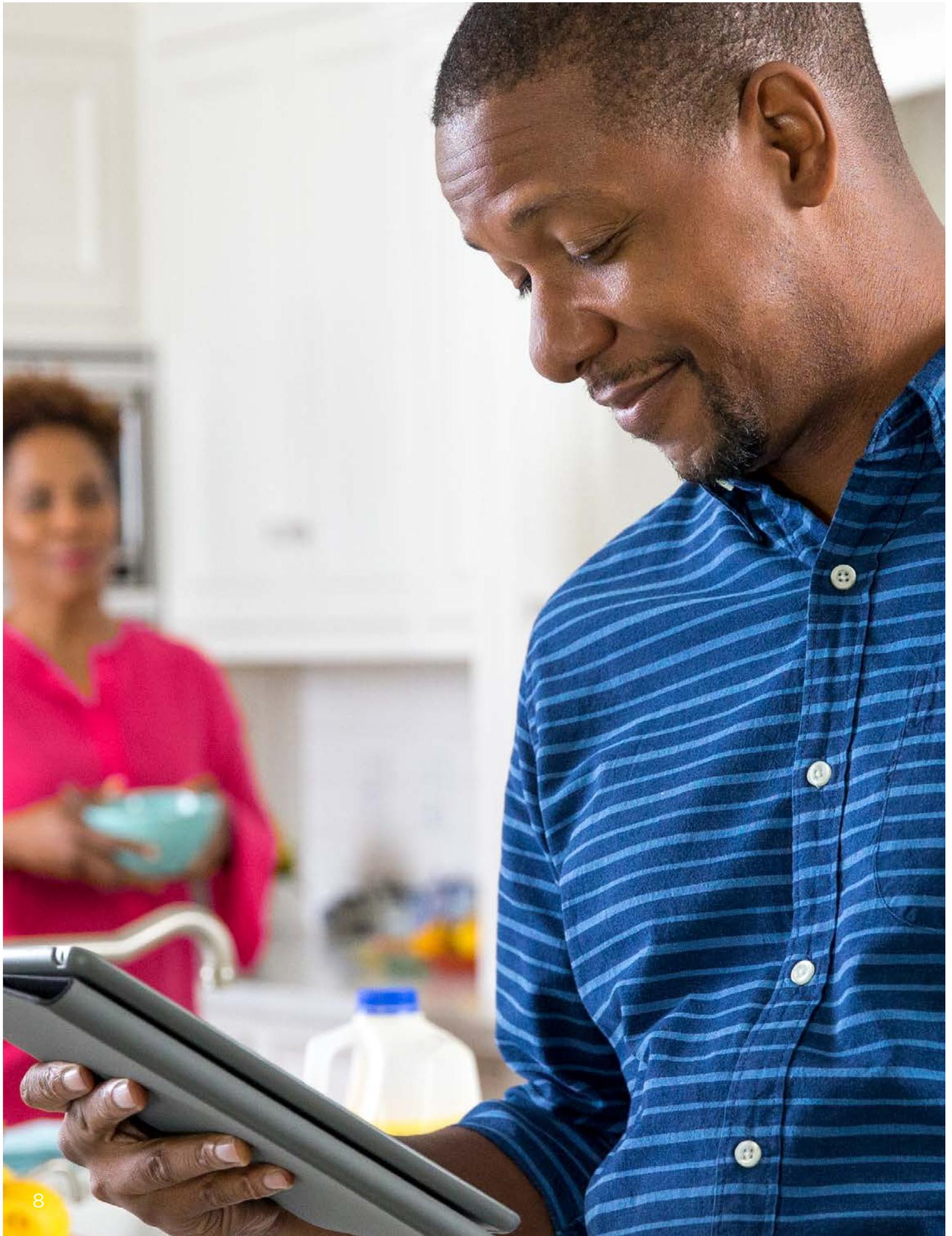
See how increasing contributions into your 457(b) Plan account will affect your take-home pay by using the [Paycheck Impact Calculator](#).

## **How will contributing to the 457(b) Roth Plan affect my taxes?**

The [Roth Analyzer](#) will provide you with a detailed summary based on your answers.

## **Want help choosing funds?**

Use [My Investment Planner](#)<sup>SM</sup>. Created by Nationwide Investment Advisors LLC in partnership with global investment management firm Wilshire Associates, the Planner uses answers you provide to offer investment recommendations.



# Take control of your future by enrolling in the City's Plans.

Experts suggest you may need 80% to 90% of your current income, on average, just to maintain your standard of living in retirement,<sup>2</sup> so you may be looking at a gap between the income you'll need and what your pension and any Social Security benefits may provide.

However, few of us are "average." Besides, it's important to consider these risks:

- Increases in medical and long-term costs
- Benefits not keeping up with inflation<sup>3</sup>
- The possibility of career changes before you become fully vested in the pension
- Outliving your resources



of households are "likely at risk" of not having enough money to maintain their living standards in retirement.<sup>4</sup>



**\$325,000**

Amount a 65-year-old couple can expect in total out-of-pocket health care expenses through retirement.<sup>5</sup>



Estimated age that **one in four 65-year-olds today will reach.** One in ten are expected to live past 95.<sup>6</sup>

All things considered, relying solely on a pension and Social Security benefits may lead to an income gap, especially in the latter years of retirement.



**10 minutes**

That's the time it takes to get an idea of your current retirement readiness using **My Interactive Retirement Planner<sup>SM</sup>**, available at [phoenixdcp.com](http://phoenixdcp.com).

**Enrolling in the City's 457(b) Plan and/or 401(a) Plan, if you're eligible, can help you start building a better retirement outcome.**

<sup>2</sup> "Taking the Mystery out of Retirement Planning," U.S. Department of Labor (November 2018).

<sup>3</sup> "Social Security's not keeping up with inflation — here's what that means for you," MarketWatch (January 2020); "The COLA crunch: Why Social Security isn't keeping up with seniors' costs," Reuters (October 2014). The annual Social Security cost-of-living adjustment (COLA) tends to lag the inflation that seniors experience by a year or more.

<sup>4</sup> "How Widespread Unemployment Might Affect Retirement Security," Center for Retirement Research (July 2020).

<sup>5</sup> "A Bit of Good News During the Pandemic: Savings Medicare Beneficiaries Need for Health Expenses Decrease in 2020," EBRI (May 2020).

<sup>6</sup> Data compiled by the Social Security Administration (accessed October 2016). Average life expectancy for a man is 85 years; for a woman, 87.

# Continue taking control of your future in retirement.

Retirement is not a stopping point. It's a transition point. You're moving from your career into what you've been building for throughout your career. Retirement can last decades. You may need your retirement portfolio to do so as well.

Together, the City's Deferred Compensation Plans and Nationwide can help you take advantage of the opportunities and benefits of continued participation, so you can enjoy retirement more confidently.

## Call upon your local PRC to help you plan

Christina Lessard, your local Nationwide Personal Retirement Consultant (PRC)<sup>®</sup>, is available to City participants who are within a few years of their retirement date through retirement itself. She will help you consider:

- Sources of retirement income, including your pension and potential Social Security benefits as well as other assets and investments you may have
- Potential expenses, including possible out-of-pocket health care and long-term care costs
- Family financial planning, college planning and caring for a disabled child or aging parent

Then she can give you a detailed analysis of your retirement outlook so you can make knowledgeable decisions up to and throughout retirement.

PRC services are provided at no extra cost for as long as you participate in the City's Plans.



**Christina Lessard**

Phone: 480-332-8172 | Email: [lessac1@nationwide.com](mailto:lessac1@nationwide.com)

[Schedule an appointment online](#)



### Public Safety retirees enjoy a special perk!

Thanks to a provision of the Pension Protection Act of 2006, Public Safety retirees can take tax-free distributions from their 457(b) Deferred Compensation Plan account to pay qualified health insurance premiums. To learn more about this opportunity, contact our Customer Solutions Center by calling 1-800-891-4749.

# We're dedicated to serving you better.

Call our Customer Solutions Center at 1-800-891-4749 for questions regarding:

- Loans
- Online account access
- Unforeseeable emergencies
- General plan information, including contribution limits and investment options
- Fund prospectuses
- Beneficiary updates
- Qualified Domestic Relations Orders (QDRO)
- Contribution changes
- Status updates on a submitted request
- Rollovers in and out
- Distribution requests

The Customer Solutions Center is available Monday through Friday 5 a.m. to 8 p.m. MT and Saturday 6 a.m. to 3 p.m. MT. Call 1-800-891-4749. TTY: 1-800-848-0833.



## Answers by email

Got a question about the Plans? Send it by email to [ASKUS@nationwide.com](mailto:ASKUS@nationwide.com). We usually answer routine questions within a business day.

For general information only: You may not make any changes or access any information about your account by email. We encourage you to never provide personal information in email messages, especially information such as your Social Security number.



## Local, in-person service

Meet with your [Nationwide Retirement Representative](#) at your convenience, or call our local office at 602-266-2733.

For your protection, we strictly follow CDC guidelines concerning masks and safe distancing.

---

## The City of Phoenix and Nationwide® work together

to continually enhance the City of Phoenix 457(b) Deferred Compensation Plan, 401(a) Defined Contribution Plan and/or PEHP (Post Employment Health Plan). Everything we do is designed so you can take control of your future with confidence.

We look forward to helping you build a better future for many years to come!

---



This material is not a recommendation to buy, sell, hold or roll over any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition, or particular needs of any specific person. Investors should discuss their specific situation with their financial professional.

Investing involves market risk, including possible loss of principal. No investment strategy or program can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment and market experience. Nationwide Retirement Specialists and plan representatives are Registered Representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio. Nationwide representatives cannot offer investment, legal or tax advice. Contact your own advisor for these services.

FORTUNE is a registered trademark of Time Inc. and are used under license. FORTUNE and Time Inc. are not affiliated with, and do not endorse the products or services of, Nationwide Mutual Insurance Company.

The PEHP unregistered group variable annuity is issued by Nationwide Life Insurance Company, contract number APO-3350. Nationwide, the Nationwide N and Eagle, My Investment Planner and PEHP are service marks of Nationwide Mutual Insurance Company. My Interactive Retirement Planner is a service mark of Nationwide Life Insurance Company. © 2020 Nationwide

NRM-19297AZ-PX (02/21)