

## Frequently Asked Questions

### *An Employee's Guide to Sarpy County's 457(b) Deferred Compensation / 401(a) Match Voluntary Program*

#### **1. What is the Sarpy County 457(b) Deferred Compensation / 401(a) Match Voluntary Program?**

Effective July 1, 2019 for most Sarpy County employees, the county will match up to \$1,040 annually each calendar year of an employee's voluntary contributions to his or her 457(b) deferred compensation account by depositing the matching funds into the employee's 401(a) tax deferred defined contribution account. In order to start receiving this benefit on July 1, 2019, you MUST submit your fully completed enrollment form to the Human Resources Department by the end of business on **June 14, 2019**.

If you are a participating employee, this means that for every dollar you contribute from each paycheck to your 457(b) deferred compensation account, the county will simultaneously contribute a matching dollar on your behalf into your 401(a) account until the maximum benefit amount of \$1,040 is reached in a given calendar year. The matching process restarts each calendar year. In order to participate, you must be an eligible employee.

(If you are a union covered employee, this program is also referred to as the "Voluntary Deferred Compensation Match Program".)

#### **2. Why should I participate?**

This program provides employees an additional opportunity to save for retirement on a tax-advantaged basis and receive a dollar-for-dollar employer match.

#### **3. How do I participate so that I receive the employer match?**

To receive the match you must:

- ✓ Be eligible according to county policy or a contract (if you are a union covered employee, please refer to your union contract for more information);
- ✓ Have or open a 457(b) deferred compensation account with a Sarpy County approved vendor and make contributions to this account;
- ✓ Have or open a 401(a) account with a Sarpy County approved vendor; AND,
- ✓ Agree to reduce your current or future longevity pay by \$300, if you are eligible to receive longevity pay.

Once you decide to participate, you cannot withdraw or rescind your enrollment. The decision to enroll in this program is irrevocable.

A list of Sarpy County approved vendors, with contact information, is available on the Human Resources webpage under the “Benefits” link.

**4. I do not have a 401(a) account. What do I need to do?**

If you already have and contribute to a 457(b) deferred compensation account, you can sign up for the 401(a) account with your vendor.

If you do not have a 457(b) deferred compensation account, you need to open one with one of the Sarpy County approved vendors. Your 401(a) account can be established at the time you enroll in a 457(b) deferred compensation account. Your vendor will send a payroll deduction form for your 457(b) deferred compensation account to Payroll for the amount you determine.

**5. I want to make sure I get the full employer match of \$1,040 each year. From each paycheck, how much do I have to contribute to my 457(b) deferred compensation account, in order to get the full match in my 401(a) account?**

During the initial offering period for most Sarpy County employees (between July 1, 2018 through December 31, 2019), you will need to contribute at least \$80 per biweekly paycheck for 13 pay periods beginning in July 2019, in order to receive the full employer match of \$1,040.

In order to start receiving this benefit on July 1, 2019, you MUST submit your fully completed enrollment form to the Human Resources Department by the end of business on **June 14, 2019**.

In any other full calendar year, you will need to contribute \$40 per bi-weekly paycheck for all 26 pay periods in a calendar year, in order to receive the full employer match of \$1,040.

You can make adjustments to your contributions to your 457(b) deferred compensation account by contacting your account vendor.

**6. Where do the county's matching contributions go?**

The county's matching contributions are deposited into the 401(a) account that you have set up with the Sarpy County approved vendor of your choosing. You may also elect to have your longevity pay directly deposited into your 401(a) account.

**7. What happens to the county's matching contributions after they are deposited into the 401(a) account?**

Just as with your 457(b) deferred compensation account, the 401(a) account money goes into investment options according to the plan you establish for your

401(a) account. Your vendor can provide you with a wide range of investment choices designed to meet different financial goals.

If you reduce your 457(b) contribution to \$0.00 for a period of time, there will be NO County match.

~~NO CONTRIBUTIONS IN = NO CONTRIBUTIONS MATCHED~

You must begin contributions again in order to receive your 401(a) account match deposits.

If you have not contributed to a 457(b) account in the past year, you must begin contributions again in order to receive your 401(a) account match deposits.

For complete information about the investment options available, including all charges and expenses, consult your Sarpy County approved vendor.

**8. Who administers the 401(a) account and its investment plan?**

Your 401(a) account and investment plan are administered by the Sarpy County approved vendor of your choosing. A list of Sarpy County approved vendors, with contact information, is available on the Human Resources webpage under the "Benefits" link.

**9. If I am a part-time employee, am I eligible for the full \$1,040 employer match?**

Yes, you can get the full amount of the match funded each calendar year regardless of full or part-time status. Whether or not you receive the full match amount depends on how much money you contribute to your 457(b) deferred compensation account.

**10. How do the county's contributions appear on my paycheck stub?**

The county's contributions appear on the left side of your pay stub under paid benefits. It will read: "Match 401(a)."

**11. When the county's contributions are deposited in the 401(a) account, when is the money vested?**

You are immediately 100 percent, fully vested. This money is held in trust for you until you are eligible to receive a distribution, such as at retirement or when you separate employment with the county.

**12. Do the county's contributions to my 401(a) account affect my contribution limit to my 457(b) deferred compensation account?**

No. If you have more questions, please contact your Sarpy County approved vendor for more details.

**13. Will I receive account statements for the 401(a) account?**

Yes. As a participant, you will receive statements from your Sarpy County approved vendor. If you have more questions, please contact your Sarpy County approved vendor for more details.

**14. When may I withdraw money from the 401(a) account?**

While you are employed with the county, you cannot withdraw money from your 401(a) account. Generally speaking, you may begin withdrawing money from the 401(a) account at separation from employment or at retirement. If you have more questions, please contact your Sarpy County approved vendor for more details.

**15. What happens to my 401(a) account if I die?**

The money in the 401(a) account will be available upon your death to your named beneficiaries, if such names are designated. If you have more questions, please contact your Sarpy County approved vendor for more details.

**16. Is the money in my 401(a) account subject to court orders of legal separation and divorce?**

Yes. As is the case with the other 457(b) deferred compensation supplemental account plans, the 401(a) account plan is subject to certain matrimonial court orders. These include court decrees of divorce and legal separation. If you have more questions, please contact your attorney or your Sarpy County approved vendor for more details.

**17. May I take a loan from the 401(a) account?**

No. While you are employed with the county, you cannot withdraw money from your 401(a) account.

**18. May I get a financial hardship withdrawal from the 401(a) account?**

No. While you are employed with the county, you cannot withdraw money from your 401(a) account.