



Plan Highlights

HART 457(b) Deferred Compensation Plan

What is the purpose of a 457(b) Deferred Compensation Plan

It allows you to save and invest money for retirement with tax benefits. The value of the account is based on the contributions made and the investment performance over time. A 457(b) Plan is designed to supplement your retirement income. Employees may make pre-tax contributions through salary reductions or as Roth after-tax contributions up to the Internal Revenue Code (IRC) limits. The IRC limit for 2024 is \$23,000.00. If you are at least age 50 you can take advantage of the “catch-up” of as much as \$7,500.00 allowing for contributions totaling up to \$30,000.00.

What Are Advantages of Participating In a 457(b) Plan

There are significant tax advantages for participants:

- Contributions are either tax-deferred or Roth contributions. Your choice.
- Tax-deferred contributions are also referred to as pre-tax. They will allow you greater take home pay and will reduce the taxable income on your W-2. You will pay tax on your contributions and earnings when you withdrawal the money from your account.
- A Roth is a retirement saving account that allows your money to grow tax free. You fund a Roth with after-tax dollars, meaning you’ve already paid taxes on the money. In return for that tax break your money grows tax free and when you withdrawal your balance at retirement, you pay no taxes. Withdrawals that are taken after a five (5) year holding period beginning with the first deposit as the start date, receive this favorable tax savings. Check with your tax preparer for the consequences of a premature withdrawal, meaning prior to age 59 ½.
- Earnings on the retirement money are tax sheltered while in the Plan.
- Participants do not pay taxes on the pre-tax contributions or earnings until they take a distribution from the Plan.
- Contributions made as Roth contributions and earnings will not be taxed at all if they are held for the required time frame.

Who Is Eligible

- All Employees who are participants in the Qualified Plan are eligible to participate in the 457(b) Plan.
- There are no age or service requirements.

Contributions

- A participant must agree to contribute a minimum of \$10 per pay period. The contribution amounts may be either a percent of pay or a flat dollar amount. These payroll deducted contributions can either be pre-tax or on an after-tax basis as Roth contributions, or a combination of both.
- A participant may at any time revoke his or her agreement to defer compensation.
- Pre-tax and Roth contributions are limited to the amount allowed under the tax laws for any calendar year.
- The maximum amount which may be deferred or contribute as Roth contributions is set by law and increases with inflation. For 2024, this amount is \$23,000. If you are near retirement, this amount may be higher for you. The Catch-up amount for 2024 is \$7,500.00. These amounts are subject to change by the IRS each year.

Vesting

- Participants are fully – 100% - vested in all contributions made to the Plan.

Modern Funding

HART offers 27 investment funds, 9 different investment categories: A Money Market Fund, Target Date Funds, Large Blend, Mid-Cap Blend, Mid-Cap Growth, Small Blend, Foreign Large Blend, Foreign Large Growth and Real Estate.

Investment Advisory Services

To help with the decision making of your investments HART has team up with Edelman Financial Engines to provide you with professional financial help. Edelman Financial Engine is the nation's largest independent investment advisor. Since everyone is different, they offer different ways to help. Free Online Advice for the do-it yourself investor, Professional Management for the hands-off investor, and Personal Advisor for more complex financial situations where you can work with a local planner to build a comprehensive financial plan. Should you choose to pay for their investment advice, the fee would be taken from your retirement account quarterly. You may start or stop this service at any time. If you have questions for Edelman Financial Engines you may contact them at 844-861-0028 to speak with a professional financial advisor at no cost.

Account Fees

\$1 per quarter

Automatic Account Rebalancing

Automatic Account Rebalancing is a tool that can help participants keep their current Investment mix (balance by Investment fund) consistent with their current Investment strategy for new contributions. Once a participant has made an Investment allocation election for new contributions, Automatic Rebalancing will rebalance the participant's account as often as the participant chooses: quarterly, semi-annually, or annually.

Distributions

- Distributions are allowed in the event of the following:
 - Termination of employment
 - Retirement
 - Death

In-Service Withdrawals

- Yes. Specifically for unforeseeable emergencies with documentation payable to the participant, not to exceed \$5,000.00

Rollover Contributions

- Certain eligible Rollovers and Plan-to-Plan Transfer of Assets are accepted coming from other eligible deferred compensation plans within the meaning of IRC Section 402(c)(8)(B)(v).

24-Hour Account Access

- Via the hart-retire.com web-site or the ADP phone app.
- If a participant has questions about their account, Call Center Representatives are available Monday - Friday, 9 a.m. - 7 p.m. Eastern Time at 888-801-3534

The Plan Is Governed By The Housing Agency Retirement Trust (HART) Board Of Trustees