

# PLAN HIGHLIGHTS

## THE 457 PLAN



STATE OF CONNECTICUT DEFINED CONTRIBUTION PLANS

<b>Eligibility</b>	Any common-law employee or any individual performing services for the State either by appointment or election (including members of the General Assembly) as designated to participate. Excluded are: <ul style="list-style-type: none"><li>• Non-resident aliens.</li><li>• Rehired retirees (except judges, senior judges, or state referees).</li></ul>
<b>Administration Fee</b>	0.0285% annually (For example, a participant with a \$10,000 account balance would pay an annual fee of \$2.85.)
<b>Withdrawal Charges</b>	None
<b>Contributions</b>	Maximum Amount—\$19,500 for 2021.* <ul style="list-style-type: none"><li>• Pre-Tax Contributions: You won't pay federal or state income taxes on the money you contribute—or any of its earnings—until you begin making withdrawals in retirement when you may be in a lower tax bracket.</li><li>• After-Tax (Roth) Contributions: You make contributions on an after-tax basis, and can take tax-free distributions if you have met the five-year holding period requirement and the distribution is due to:<ul style="list-style-type: none"><li>• Separation from service and reaching age 59½.</li><li>• Disability (as defined by the Internal Revenue Code)</li><li>• Death</li></ul></li><li>• Your Roth 457 contributions do not reduce your current tax liability. You pay your taxes upfront—at your current tax rate—and can potentially save taxes on your investment gains when you retire.</li><li>• As a participant in the 457 Plan, you have access to Contribution Accelerator, a retirement planning feature that can help you save more for retirement. It is available at no additional cost, and you can opt out at any time. Once you sign up for this feature, your contribution amount will automatically increase each July 1 (or a date of your choosing) by \$25 per paycheck, up to a maximum of \$1,000 per year. It's never been easier to systematically increase the amount you set aside for retirement.</li></ul>
<b>Catch-Up Contributions</b>	<ul style="list-style-type: none"><li>• Age 50+ Catch-up: An additional \$6,500 for 2021.</li><li>• Special Catch-up: The lesser of twice the annual limit (\$39,000 in 2021) or the annual limit (\$19,500 in 2021) plus the amount of the annual limit not used in prior years.**</li><li>• Only one catch-up provision can be used in the same calendar year.</li></ul>
<b>Fund Transfers</b>	Currently, there are no restrictions on transfers among investment options (subject to the Prudential Retirement® policy on excessive trading).
<b>Plan-To-Plan Transfers</b>	<ul style="list-style-type: none"><li>• The plan accepts transfers of assets from a prior State of CT 457 Plan investment provider.</li><li>• Transferred assets can only be withdrawn upon a distributable event.</li></ul>
<b>Rollovers</b>	<ul style="list-style-type: none"><li>• The plan accepts rollovers from pre-tax 401, 403(b), 457(b) plans; traditional IRAs; and Roth accounts under 401, 403(b) or 457(b) plans.</li><li>• The plan does not accept rollovers of after-tax dollars or rollovers from Roth IRAs.</li><li>• Rollover assets may be withdrawn without a distributable event.</li></ul>
<b>Loans</b>	Loans are available to all active employees enrolled in the plan. Loans may impact your withdrawal value and limit future growth potential. Loan repayments are made via ACH account deduction.

\*If you are making both pre-tax and after-tax (Roth) contributions to the 457 plan, your total plan contributions cannot exceed \$19,500 in 2021 or \$26,000 if you have elected the Age 50+ Catch-up option.

\*\*Special Catch-up is not available to those eligible to participate in the State of Connecticut 403(b) Plan.

# PLAN HIGHLIGHTS

## THE 457 PLAN

**WORKSAVE**Play

STATE OF CONNECTICUT DEFINED CONTRIBUTION PLANS

<b>Distributable Events</b>	<ul style="list-style-type: none"><li>• Separation from service.</li><li>• Retirement.</li><li>• Death.</li><li>• Unforeseeable emergency.</li><li>• If you are age 59½ and still employed by the State, you may withdraw all or a portion of your account balance from the plan.</li><li>• A one-time in-service distribution of account values of \$5,000 or less is allowed, if you have not made contributions to the plan during the last two years and you have not received this type of in-service distribution from the plan in the past.</li></ul>
<b>10% Premature Distribution Penalty Tax on Distributions Prior to Age 59½</b>	The 10% federal penalty tax on distributions prior to age 59½ does not apply to distributions from your 457 account assets. Distributions of assets rolled over from another employer plan (non-457) would be subject to tax penalty if taken before age 59½ unless an exception applies.
<b>Required Minimum Distributions</b>	You must begin distributions by April 1 following the calendar year in which you reach age 72, retire, or separate from service, whichever date occurs later.
<b>Unforeseeable Emergency</b>	Defined as a severe financial hardship resulting from: <ul style="list-style-type: none"><li>• Sudden illness or accident of you, your spouse, or dependent.</li><li>• Loss of your property due to casualty.</li><li>• Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control.</li></ul>
<b>Payment Options</b>	<ul style="list-style-type: none"><li>• Partial or lump-sum withdrawal.</li><li>• Systematic withdrawal option—specified period or specified amount.</li><li>• Estate conservation option—IRS-required minimum distribution.</li><li>• Rollover to another eligible retirement plan or IRA.</li><li>• Combination of payout and annuity options.</li></ul>
<b>Annuity Options</b>	<ul style="list-style-type: none"><li>• Period Certain for 5–50 Years.</li><li>• Period Certain for 5–50 Years with Withdrawal Rights.</li><li>• Single Life.</li><li>• Single Life with 5–50 Years Guaranteed.</li><li>• Single Life with 5–50 Years Guaranteed with Withdrawal Rights.</li><li>• Single Life with Cash Refund.</li><li>• Joint and Full Survivor.</li><li>• Joint and Full Survivor with 5–50 Years Guaranteed.</li><li>• Joint and Full Survivor with 5–50 Years Guaranteed with Withdrawal Rights.</li><li>• Joint and ⅔ or ½ Survivor (Payment decreases on death of either).</li><li>• Joint and ½ Contingent (Payment decreases on death of primary annuitant).</li></ul> <p><i>Required Minimum Distribution (RMD) regulations may affect annuity issue ages.</i></p>

For information about your plan, call **844-505-SAVE (844-505-7283)** or visit [www.CTDCP.com](http://www.CTDCP.com).



Amounts withdrawn are subject to income taxes and plan restrictions. Neither Prudential Financial nor any of its affiliates provide tax or legal advice for which you should consult your qualified professional. Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, or its affiliates. PRIAC is a Prudential Financial company.

© 2021 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

1013210-00006-00

STCT\_HL\_RE5\_08  
06/2021