



# OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

Ohio Deferred Compensation

Invest In Your Future

## 1 Identify your income needs and sources

		EXAMPLE	You
<b>A</b>	How many years can you expect to spend in retirement?		
<b>B</b>	What percent of your current income will you need per year during retirement?	+	75-90%
<b>C</b>	Your employer's pension makes up what percent of your retirement income?	-	50%
<b>D</b>	What percent of your income will come from Social Security?	-	20%
<b>E</b>	What percent of your retirement income will need to come from savings? (from 457, 401(k), 403(b), IRA or other retirement savings)	=	5-20%

## 2 How Ohio Deferred Compensation can help you invest in your future

- Makes it easy to invest
- Contributions are made pre-tax
- Any earnings are tax-deferred
- Your money can stay tax-deferred if you leave employment

### The power of pre-tax contributions

You get the earning potential of every dollar you contribute with a smaller net pay reduction!  
For someone who grosses \$1,460 every 2 weeks...

Percent of pay invested	Your per-pay contribution equals*	But your net pay is reduced by*	And you still get the earning potential of
2%	\$29	\$22	\$29
5%	\$73	\$55	\$73
8%	\$117	\$88	\$117
15%	\$219	\$164	\$219

\*Assumes \$38,000 annual pay and a 25% marginal tax rate.

## 3 When you enroll, you need to decide...

- A** How much to contribute per pay:  
\_\_\_\_\_
- B** How much to automatically increase deferrals each year through the SMarT Plan:  
\_\_\_\_\_
- C** Who to name as beneficiaries:  
Primary \_\_\_\_\_  
Contingent \_\_\_\_\_
- D** Where to invest your dollars:
  - I will decide on my own.
  - I will need guidance.
- E** About transferring other dollars into this plan:
  - I'm interested in rolling over my accounts.
  - I don't have other retirement dollars to move.
  - I'm not interested in moving my other retirement dollars at this time.

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## See how the annual increase through the SMarT plan really can make a difference!

- 1 In Column C, choose the actual pay reduction that is comfortable for your budget. Underline it.
- 2 Now circle the amount next to it in Column A.
- 3 Transfer the amount from Column A to your deferral form, or choose another amount to defer.
- 4 Experiment with other deferral amounts, and/or number of accumulation years, to see the difference a change in deferral could make for your financial future.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Deferral Per Pay	SMarT	First Year Actual Pay Reduction	First Year Annual Deferral	First Year Annual Pay Reduction	Accumulation In 20 Years	20-Year Payout	Accumulation In 25 Years	20-Year Payout	Accumulation In 30 Years	20-Year Payout
\$25	0	\$18.75	\$ 650	\$ 488	\$24,593	\$136	\$36,680	\$203	\$52,855	\$292
<b>\$25</b>	<b>\$5</b>	<b>\$18.75</b>	<b>\$650</b>	<b>\$488</b>	<b>\$62,001</b>	<b>\$343</b>	<b>\$103,234</b>	<b>\$570</b>	<b>\$162,183</b>	<b>\$896</b>
\$50	0	\$37.50	\$1,300	\$975	\$49,187	\$272	\$73,361	\$405	\$105,710	\$584
<b>\$50</b>	<b>\$5</b>	<b>\$37.50</b>	<b>\$1,300</b>	<b>\$975</b>	<b>\$ 86,594</b>	<b>\$478</b>	<b>\$139,915</b>	<b>\$773</b>	<b>\$215,038</b>	<b>\$1,188</b>
\$100	0	\$75	\$2,600	\$1,950	\$ 98,374	\$544	\$146,721	\$811	\$211,421	\$1,168
<b>\$100</b>	<b>\$10</b>	<b>\$75</b>	<b>\$2,600</b>	<b>\$1,950</b>	<b>\$173,188</b>	<b>\$957</b>	<b>\$279,829</b>	<b>\$1,546</b>	<b>\$430,077</b>	<b>\$2,376</b>
\$200	0	\$150	\$5,200	\$3,900	\$196,747	\$1,087	\$293,442	\$1,621	\$422,842	\$2,337
<b>\$200</b>	<b>\$20</b>	<b>\$150</b>	<b>\$5,200</b>	<b>\$3,900</b>	<b>\$346,376</b>	<b>\$1,914</b>	<b>\$559,659</b>	<b>\$3,093</b>	<b>\$853,315</b>	<b>\$4,715</b>
\$300	0	\$225	\$7,800	\$5,850	\$295,121	\$1,631	\$440,163	\$2,432	\$634,263	\$3,505
<b>\$300</b>	<b>\$30</b>	<b>\$225</b>	<b>\$7,800</b>	<b>\$5,850</b>	<b>\$501,358</b>	<b>\$2,770</b>	<b>\$775,295</b>	<b>\$4,284</b>	<b>\$1,141,885</b>	<b>\$6,310</b>
\$400	0	\$300	\$10,400	\$7,800	\$393,495	\$2,174	\$586,884	\$3,243	\$845,683	\$4,673
<b>\$400</b>	<b>\$30</b>	<b>\$300</b>	<b>\$10,400</b>	<b>\$7,800</b>	<b>\$572,696</b>	<b>\$3,165</b>	<b>\$870,761</b>	<b>\$4,812</b>	<b>\$1,269,640</b>	<b>\$7,016</b>
\$500	0	\$375	\$13,000	\$9,750	\$491,868	\$2,718	\$733,605	\$4,054	\$1,057,104	\$5,841
<b>\$500</b>	<b>\$30</b>	<b>\$375</b>	<b>\$13,000</b>	<b>\$9,750</b>	<b>\$628,727</b>	<b>\$3,474</b>	<b>\$945,743</b>	<b>\$5,226</b>	<b>\$1,369,983</b>	<b>\$7,570</b>
\$600	0	\$ 450	\$15,600	\$11,700	\$590,242	\$3,262	\$880,326	\$4,864	\$1,268,525	\$7,010
<b>\$600</b>	<b>\$30</b>	<b>\$450</b>	<b>\$15,600</b>	<b>\$11,700</b>	<b>\$666,340</b>	<b>\$3,682</b>	<b>\$996,078</b>	<b>\$5,504</b>	<b>\$1,437,343</b>	<b>\$7,942</b>

This chart is for a single person with annual salary of \$38,000 and a 25% tax rate for federal income tax purposes. The accumulations assume biweekly deferrals at an effective rate of return of 6% compounded biweekly.

Qualified plans and IRAs are different, including fees and when you can access funds. Assets rolled-over may be subject to surrender charges, other fees and/or a 10% penalty if withdrawn before age 59½.

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### Take Action

I will: (check all that apply)

- Enroll today:
  - With my Account Executive:
 

Account Executive Name
  - By phone with an Account Executive at **877-644-6457**
  - Online at **Ohio457.org**
- Explore transferring or rolling over my other retirement dollars.