

Boost Retirement Savings with RSA-1

A 457 Deferred Compensation Plan

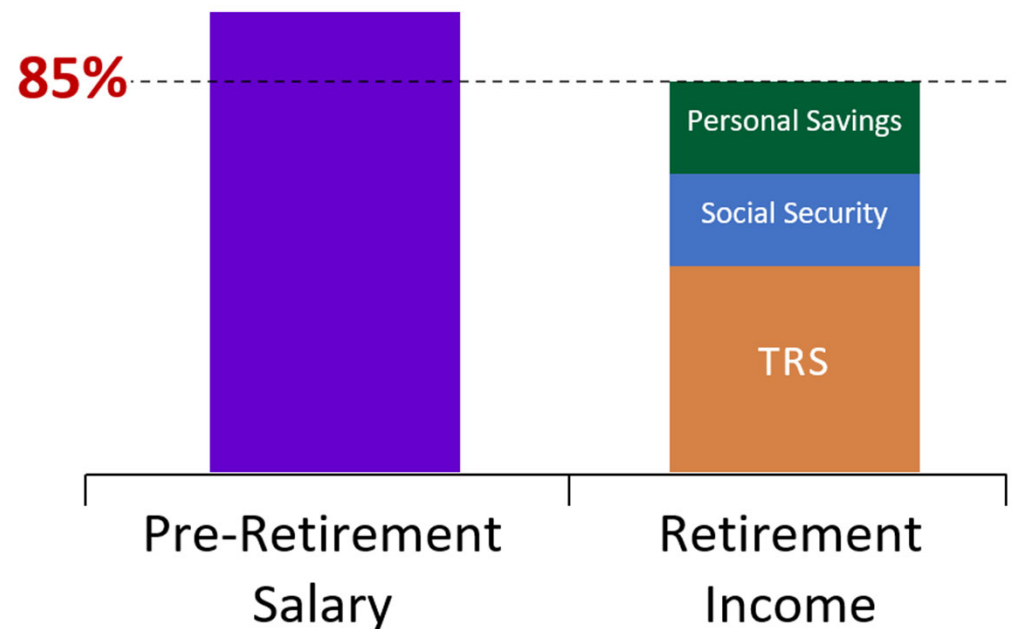


RSA-1

BUILDING UP RETIREMENT INCOME

Aim to replace most of your salary with:

- TRS Retirement Benefit
- Social Security
- Personal Savings Plan like RSA-1



SAVING WITH RSA-1

- Voluntarily put back a portion of your pre-tax income – each pay period – to save more for Retirement.
- Invest the deferred salary in RSA-1 allowing it to grow tax-deferred.
- Save on income taxes while saving for Retirement!



INVESTMENT OPTIONS

1. Bond Fund
 - Majority Corporate & Governmental Bonds
2. Stock Fund
 - S&P 500 Index Fund
3. Short Term Investment Fund
 - Mix of securities, U.S. Treasury bills & notes



CHANGING INVESTMENT OPTIONS

Members and beneficiaries may choose to:

- Invest among the three funds.
- Change investment options (permitted once every 90 days).
- Invest future RSA-1 deferrals differently than how an existing account balance is invested.

RSA-1 INVESTMENT FUNDS



The RSA Investment staff decides the composition of the investment funds for the RSA-1 PLAN...

...the same expert team that handles your TRS retirement funds.



NO FEES = MORE SAVINGS

- RSA-1 charges no fees.
 - No administrative fees
- Deferred salary and investment earnings make up your account balance.
 - No membership fees
 - No investment fees
 - No transaction fees
- Without fees you keep more of your money!
 - No commission fees

NO MINIMUM CONTRIBUTIONS



You could defer just \$25.00 per pay period.

And that's before income taxes are collected!

MAXIMUM 2020 CONTRIBUTIONS

Under Age 50

\$19,500.00



Age 50 or Over

\$26,000.00

Remember: Saving with RSA-1 does not impact how your TRS retirement benefit is calculated.

CATCH-UP WITH RETIREMENT SAVING

- Apply unused, eligible deferrals from as far back as 1986 to catch-up in the last years of employment.
- For 1, 2, or 3 consecutive years before reaching retirement eligibility you may take advantage of RSA-1 Catch-Up.
- During Catch-Up, you may double the under age 50 contribution limit:

For 2020 – that's \$39,000.00!



RSA-1 CATCH-UP PROVISION

- Must be within 3 years of retirement eligibility.
- Catch-up can only be elected once.
- Catch-up period cannot be amended once approved.
- Designate a NORMAL RETIREMENT AGE to establish the Catch-up period: 1, 2, or 3 consecutive years.
- Age 72 is the oldest NORMAL RETIREMENT AGE.

AVAILABILITY OF RSA-1 FUNDS

1. Separation of service, *regardless of age*
 - Retirement
 - Termination of Employment



OR

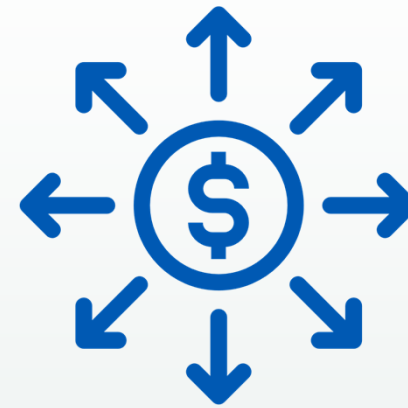
2. Unforeseeable Emergency as defined by the U.S. Treasury

OR

3. At age 72, if still employed.

DISTRIBUTIONS

- Lump Sum
- Partial Lump Sum
- Equal Periodic Payments
- Delay distributions of RSA-1 monies until a future date (No later than April 1st, following the calendar year the member reaches age 72)



PAYMENTS: LUMP SUM & PARTIALS

- Generally, checks are mailed or available to pick up by Friday of the week following a request.
- 20% withholding for federal income tax liability
- Distribution(s) must begin no later than April 1st of the calendar year following whichever is later:
 - The year the member reaches age 72, **OR**
 - The year the member retires.

PAYMENTS: EQUAL PERIODIC

- Direct Deposit on the last business day of the month.
- Normally 20% withholding, though perhaps less if paid over 10-year period or longer
- Distributions must begin no later than April 1st of the calendar year following whichever is later:
 - The year the member reaches age 72, **OR**
 - The year the member retires.

PURCHASE SERVICE CREDIT WITH RSA-1

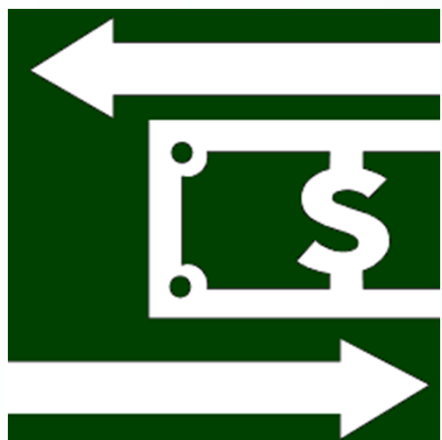
You may use money from your RSA-1 account to purchase *permissible service credit* for the TRS/ERS; for example:

- Withdrawn Service
- Military Service
- Out-of-State Public Service, and more.

Money from your RSA-1 account is transferred directly to your TRS/ERS account – No tax obligation.



TRANSFERS FROM OTHER 457 PLANS



- RSA-1 welcomes transfers from other 457 Plans.
- Simply establish your RSA-1 account prior to the transfer.
- Remember: Only 457 Plans are eligible for transfer into RSA-1.



PLOP ROLLOVERS

- Partial Lump Sum Option Plan (PLOP) payment is eligible for rollover into your RSA-1 account.
- You may invest the PLOP rollover separately from your existing RSA-1 account balance.
- Defer income taxes on the PLOP rollover and its earnings – until distribution.

RSA-1 ENROLLMENT

- Enroll at any time!
- Change deferral amount at any time... in accordance with employer policies.

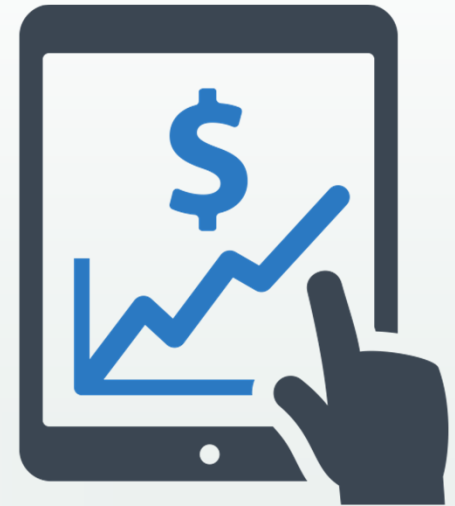
Enrollment forms are found in the RSA-1 Handbook:

1. Enrollment Form
2. Beneficiary Designation
3. Investment Option Election
4. Authorization-to-Defer (Give to Payroll)



KEEPING TRACK OF YOUR RSA-1 ACCOUNT

- Easy-to-read statements are posted quarterly to your Member Online Services (MOS) Account.
- Investment returns are posted monthly on the RSA website.





Get more information on RSA-1
by visiting our website at:

www.rsa-al.gov

Phone: (877) 517-0020 or
(334) 517-7000

Email: rsa1info@rsa-al.gov

Member Online Services (MOS)

Portal: mso.rsa-al.gov

