



SACRAMENTO COUNTY RETIREE RESOURCES

As a retiree of the County of Sacramento, it is important that you stay connected with your County of Sacramento Deferred Compensation Plan at Fidelity. We're providing this guide to highlight resources and tools to keep you engaged. Living in retirement has a lot to offer, and Fidelity is here to help you through your journey. Put our investment and financial planning tools to work for you.

Installment and Systematic Withdrawal Payments

Installment payments, or systematic withdrawal payments (SWPs), can provide increased flexibility as you begin shifting from saving for retirement to creating an income plan in retirement. Use installment payments annually to satisfy your required minimum distribution or use them to generate an income stream in retirement.

ONCE YOU RETIRE, YOU HAVE THE OPTIONS OUTLINED BELOW TO DIRECT YOUR ACCOUNT BALANCE:

Flexible Distribution Options

Installment distributions provide the opportunity to have your account balance distributed as you direct. Installment distributions can be started, stopped, or resumed at any time up until the account balance is exhausted. You can create an installment payment based on a specific dollar amount to withdraw or by selecting a specific number of payments, and either of these options for installment payments can be set up to be distributed monthly, quarterly, semi-annually, or annually.

Flexible Payment Options

You can elect that your installment payments be sent to you via check or electronic funds transfer (EFT) to your bank account. To set up your EFT information, enter your bank account information on Fidelity NetBenefits® at www.netbenefits.com/saccounty or call the Fidelity Retirement Benefits Line at **800-343-0860** between 5:30 a.m. and 9:00 p.m. PT, Monday through Friday.

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TOOL TO HIGHLIGHT: REQUIRED MINIMUM DISTRIBUTION (RMD) CALCULATOR

As you may recall, RMDs were not required in 2020 as part of the CARES Act but will be required in 2021 for those who are age 72 or older. This tool helps you calculate your RMDs for this year. Simply visit www.netbenefits.com/UMN > *Tools & Resources* > *Tools & Calculators*.

Flexible Tax Options

You can determine whether you want federal and state taxes (where applicable, and calculated using the IRS tax tables) withheld from your distribution or prefer to pay any applicable taxes later. Please note:

- If you set up a SWP and your recurring payments will continue for 10 years or longer, Fidelity will withhold federal taxes based on your marital status and the number of exemptions you indicate on your withholding election form or through the Retirement Benefits Line. It is important to note that the County of Sacramento does not send marital status information to Fidelity, and your tax withholding will default to the rate of a married person with three exemptions unless you indicate otherwise at the time of withdrawal.
- If you set up a SWP and your recurring payments will be completed within 10 years, Fidelity will withhold federal taxes at the rate of 20 percent, unless you indicate you'd like a higher rate withheld.
- State taxes will be withheld based on the address on file at Fidelity at the time of distribution.

Each year, Fidelity will then mail a 1099-R by January 31 of the year after the distribution was received.

The following Frequently Asked Questions section has some additional information on SWPs.

New Automatic Withdrawals Tool

You've saved a long time. Now make it last a long time.

You may have questions on your mind, like: "How much retirement income will I have?" "How long will it last?" "What will be left?" Fidelity's new Automatic Withdrawals tool is here to help answer those questions. You can compare and select the best withdrawal option for your needs, so you get more control, choice, and flexibility. You've done the hard part. You've saved. And saved. Now lean on us to help you make the most of it.

To use the Automatic Withdrawals tool:

1. Visit www.withdrawals.fidelity.com.
2. Select *See Your Options*.
3. Under Automatic Withdrawals, select *Explore This Option*.



Frequently Asked Questions

WHO IS ELIGIBLE TO ESTABLISH SYSTEMATIC WITHDRAWAL PAYMENTS (SWPs)?

Separated or retired employees are eligible to establish a SWP in the Deferred Compensation Plan.

HOW IS A SWP INITIATED?

You can initiate a SWP by obtaining a Recurring Payment Distribution Form on www.netbenefits.com/saccounty > *Tools & Resources* > *Forms & Documents* or by calling the Fidelity Retirement Benefits Line at **800-343-0860** between 5:30 a.m. and 9:00 p.m. Pacific time, Monday through Friday.

IS THERE A FEE TO INITIATE A SWP?

No, there is no fee.

WHEN CAN THE INSTALLMENTS BE SCHEDULED TO BE DISTRIBUTED?

Installment payments can be distributed monthly, quarterly, semi-annually, or annually.

ARE TAXES WITHHELD WHEN A SWP IS PROCESSED?

You can determine whether you want federal and state taxes (where applicable, and calculated using the IRS tax tables) withheld from your distribution or prefer to pay any applicable taxes later. As previously mentioned, if you set up a SWP and your recurring payments will continue for 10 years or longer, Fidelity will withhold federal taxes based on your marital status and the number of exemptions you indicate on your withholding election form or through the Retirement Benefits Line. It is important to note that the County of Sacramento does not send marital status information to Fidelity, and your tax withholding will default to the rate of a married person with three exemptions unless you indicate otherwise at the time of withdrawal.

IS SPOUSAL CONSENT OR PLAN SPONSOR APPROVAL REQUIRED?

No. Neither spousal consent nor plan sponsor approval is required; you can leave those sections blank on the form.

HOW DO I RECEIVE THE FUNDS FOR THE SWP?

Fidelity will process the SWP either by check or by electronic funds transfer (EFT) for the established installment period.

HOW DO I SET UP EFT FOR MY COUNTY OF SACRAMENTO RETIREMENT PLANS?

Log in to your account through www.netbenefits.com/saccounty, and then go to *Quick Links* > *Bank/Tax Information*, where you can set up your bank information. You can also set up your bank information by calling the Fidelity Retirement Benefits Line at **800-343-0860** between 5:30 a.m. and 9:00 p.m. Pacific time, Monday through Friday.

CAN I SET UP MY SWP TO SATISFY MY RMD EACH YEAR?

You can choose to establish a SWP simply to satisfy your RMD each year. Please note that if you take additional partial distributions during the year, your RMD SWP will change. Also, once you reach your RMD amount for the year, your RMD SWP will stop, as your RMD has been satisfied. At the beginning of each year, your RMD SWP will begin again automatically, but you may need to reevaluate the amount you've requested to ensure that it will satisfy your RMD amount each year.

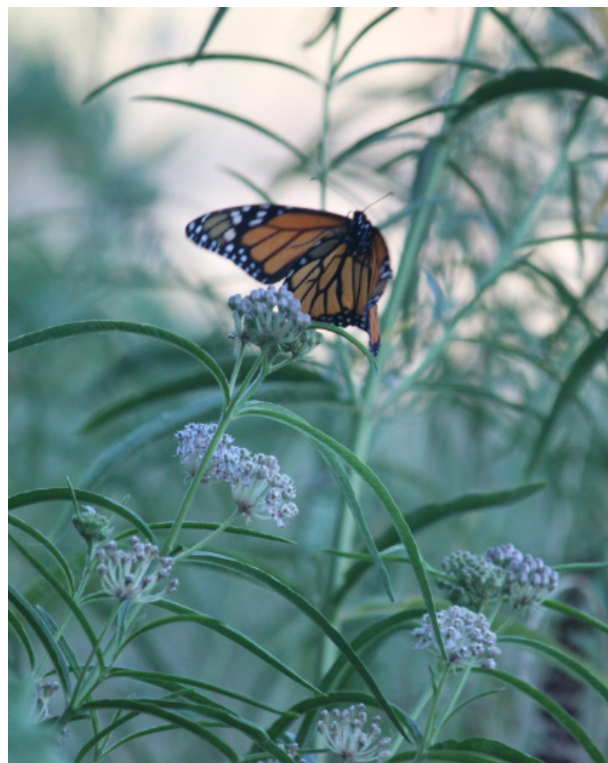


DESIGNATE YOUR BENEFICIARY TODAY

Now is a good time to review your beneficiary designations (for both primary and contingent beneficiaries) to ensure they are consistent with your wishes.

You can choose to name a spouse, children, other loved ones, and charitable organizations as beneficiaries of your account. Designating a charitable organization is a flexible and tax-advantaged option for showing your support of causes that are important to you. When you leave your retirement assets to charity, these assets transfer free of tax, so people often choose to leave all or a portion of their tax-deferred accounts to charity and use other assets to provide for their individual beneficiaries.

We get it. Life is busy. But it only takes a minute to name your beneficiaries today. Log in to your account by visiting www.netbenefits.com/saccounty. Then click *Profile* in the top navigation bar of your account and select the "Beneficiaries" tile. Need help? Call Fidelity at **800-343-0860** between 5:30 a.m. and 9:00 p.m. Pacific time, Monday through Friday.



Required Minimum Distribution (RMD) Reminders

You must begin receiving required minimum distributions (RMDs), also referred to as minimum required distributions, from the Plan. Generally, your initial distribution must be made by the later of:

- April 1 following the calendar year in which you attain RMD age (age 72 unless you reached age 70½ prior to January 1, 2020)

or

- April 1 following the calendar year you no longer work for the County of Sacramento.

If you do not begin taking the RMD from your account by the dates noted above, you may be subject to an IRS excise tax of 50 percent of the amount you should have withdrawn from the plan. The tax is assessed each year the RMD is not taken.

SATISFYING YOUR RMD

Any amount that you withdraw during the year will count toward satisfying the amount of your annual RMD for that year. Your RMD for each employer-sponsored retirement plan must be distributed from that plan* and does not have an impact on any RMD you may be required to take from your IRAs. The amount of any RMD is not eligible for rollover; but any additional amount withdrawn for that year may be rolled over to an IRA.

*If you are a participant in more than one 457(b) plan, you may choose to aggregate your RMDs and withdraw from a single 457(b) account to satisfy the annual requirement. Please contact your tax advisor for your situation.

CALCULATION OF YOUR RMD

Your RMD for the current year is calculated by dividing the closing market value of your plan account as of December 31 of the prior year by the applicable life expectancy divisor from the IRS Uniform Lifetime Table.

Example: If you are a retiree attaining age 72 in the current year, your Uniform Lifetime Table divisor is 25.6. If your prior year ending balance was \$10,000, your RMD will be \$390.63 ($\$10,000 \div 25.6 = \390.63).

If your spouse is younger than you by more than 10 years and is your sole primary beneficiary for this entire calendar year, you may elect to have your RMD calculated using the Joint Life and Last Survivor Expectancy Table.

This option causes the RMD amount to be less than it would be under the Uniform Lifetime Table. You can elect this option by contacting Fidelity at **800-343-0860**.

INCOME TAX WITHHOLDING

Federal income tax will be withheld from the taxable portion of your distribution in accordance with the IRS periodic wage withholding table if we have a withholding election form on file. If we do not have one, then the IRS default withholding option of married and three allowances will be used. State income tax will be withheld from the taxable portion of your distribution in accordance with your state's withholding requirements and your election.

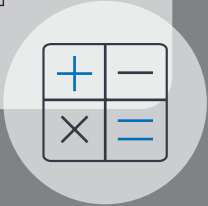
However, if you elect not to have withholding apply to your payments, or if you do not have enough federal and/or state income tax withheld, you may be responsible for payment of estimated taxes. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. Please refer to IRS Form W-4P (Withholding Certificate for Pension or Annuity Payments) at irs.gov for further information. Contact Fidelity at **800-343-0860** if you have questions.





How long?

How much?



Workshops & Resources

Even though you are retired, you still have access to all of the tools, calculators, and educational workshops that are available on the Fidelity NetBenefits® website: www.NetBenefits.com.

TAKE ADVANTAGE OF EDUCATIONAL RESOURCES

- Check out the Library: Explore a collection of financial learning resources, including articles, infographics, videos, and more. Click *Library* from the NetBenefits homepage.
- Create a plan for your future: Model and plan for your financial goals using the Planning & Guidance Center at www.NetBenefits.Fidelity.com/planningcenter.

ATTEND AN ONLINE WEBINAR: FINANCIAL EDUCATION WORKSHOP SERIES

Join Fidelity for a complimentary workshop and learn about a variety of financial topics, including keeping your investments on track, balancing financial goals, and preserving your savings for future generations.

- Workshops are live offered daily and easy to attend from any computer.
- Virtual education presenters are available to chat and answer your questions.
- Attend one event or several — the choice is yours.



Visit www.netbenefits.fidelity.com/livewebmeetings.



VIRTUAL OR PHONE CONSULTATIONS

Fidelity Retirement Planners are investment advisor representatives and registered securities representatives™ committed to helping you make sure you're on track for a future that's unique to you. Meet with representatives and you'll be able to tap into the education, resources, and support that only a trusted partner can provide. Plus, consultations are free to you as a valued County of Sacramento retiree.

Fidelity Retirement Planners offer complimentary virtual or phone-based one-on-one consultations, and they are ready to help you address many questions, including:

- Am I investing properly?
- How do I request my RMD?
- How do I make the most of my retirement savings?
- How do I turn my retirement savings into ongoing, steady income?

Visit www.fidelity.com/schedule to view available dates and times and to schedule your consultation.

You can meet with Fidelity whenever you want and can ask them anything.



Update your e-mail address today and we will stay in touch about your retirement savings plans

You may miss out on your annual Retirement Checkup, important communications about your benefits, timely service-related messages, legal notifications, messages about educational offerings, and your quarterly statements if you do not have an e-mail address on file. Take five minutes today to update your contact information.



SET YOUR E-MAIL PREFERENCES

Log in to your account by visiting www.netbenefits.com/saccounty. Then click *Profile* in the top navigation bar of your account page. You can add your e-mail address and phone number in the “Personal & Contact Information” tile and elect your communication preferences in the “Communication” tile. You can elect to receive communications through e-mail or U.S. mail.



ACCESS YOUR QUARTERLY STATEMENT

Quarterly statements are available online. Once logged in to your account, under *Quick Links*, select *Statements* to view your statement for any time period you select.



NEED HELP WITH YOUR RETIREMENT SAVINGS?

Even though you are retired, you can meet with dedicated Retirement Planners over the phone or via Zoom. Visit www.fidelity.com/schedule to book an appointment.

Investing involves risk, including risk of loss.

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