

**If you have not already done so, then now is the time
to start thinking about putting aside
additional money towards your retirement.**

457 PLAN

A 457 Plan is a deferred compensation retirement program for employees of local, state and federal governments. A 457 Plan is similar to 401(k) and 403(b) plans in that contributions are deducted from your paycheck before payroll withholding tax is figured. Contributions to the plan grow, tax deferred, until retirement, when payouts are taxed accordingly. To take advantage of the program offered through the Town of Walpole, please contact the representative to obtain additional information.

Great West, Massachusetts Smart Plan-Eileen Neubert-Toll free - 877-457-1900, ext. 20083.

A few of the major highlights of the 457 Plan are listed below:

- Reduces your current income taxes while boosting your retirement savings.
- Allows earnings to accumulate tax-deferred.
- The amount of compensation that an employee can defer under a 457 Plan can be as low as \$5.00 per week up to a maximum of \$16,500 per year.
- Participants' age 50 and older can also make a catch-up contribution of an additional \$5,500. Plus you can make significantly larger catch-up contributions in the three years prior to retirement.
- The 457 Plan allows you to increase, decrease, stop and restart contributions as often as you wish, without fees or penalties.
- Amounts deferred under a 457 Plan maintained by a state or local government must be held in a trust, a custodial account, or an annuity contract for the exclusive benefit of plan participants and their beneficiaries.
- Distributions from your 457 Plan are only allowed if one of the following qualifying events occurs: retirement, separation from service, unforeseeable emergency or death of the participant.
- You will need to pay federal income taxes on distributions at retirement, and state taxes may also apply.
- Offers portability - When leaving your current place of employment, you may rollover your 457 Plan assets to an IRA or to a new employer's plan, such as a 401(k), 403(b) or even another 457 plan that accepts such transfers.