



RIC Program Summary

★ **Definition**

The Retirement Investors' Club (RIC) is a voluntary retirement savings program (offered by your employer) designed to increase your personal savings for retirement and lower your current taxable income. RIC savings help fund your retirement along with your pension (IPERS, POR, Judicial) and social security benefits.



★ **Eligibility**

You are eligible to contribute if you are a permanent or probationary employee of the State of Iowa working 20+ hours per week or an employee who has a fixed annual salary. This does not include Board of Regents Institution employees.

★ **Contributions**

Please Note: The total of all contributions made to this 457 plan and/or any other government employer's eligible 457 plan in 2007, must not exceed the IRS maximum limit of \$15,500 (\$20,500 for employees age 50 or older and \$31,000 for 3-Year Catch-Up participants).

- ▶ Deductions are taken from your paycheck before state and federal income tax.
- ▶ You choose how much to contribute up to the maximums shown below. The minimum contribution amount is \$25 a month (maximums shown below). You may change your contribution amount at any time (use the *RIC Account Form*).

Year	Regular Contribution Limits	50+ Catch-Up** Contribution Limits	3-Year Catch-Up*** Contribution Limits
	100% of compensation* up to:	For participants age 50 or older, 100% of compensation up to:	The total of the regular limit + missed contributions up to:
2006	\$ 15,000	\$20,000	\$ 30,000
2007	\$ 15,500	\$20,500	\$ 31,000
after 2007	Indexed in \$500 increments		

* Compensation is your gross salary minus your retirement (IPERS, POR, Judicial) deductions. The maximum amount you may contribute is reduced by deductions for FICA, insurances, flexible spending accounts, auto use maintenance, employee organizations, and assignments.

** Participants are not able to use the 50+ Catch Up limits and the 3-Year Catch-Up limits at the same time.

***If you are within three years of your normal retirement date, you may qualify to contribute more than the regular maximum under the program's 3-Year Catch-up Provision.

★ **State Matching Contributions**

The State contributes a match to participant's 457 employee contributions. For every \$2 you contribute, the State will contribute \$1 (to your 401(a) employer match account) up to the maximum match benefit amount shown here. Match contributions must be invested with the same provider receiving your 457 employee contributions. Your match money may be invested the same as or different than your 457 employee contribution account.

Executive & Legislative Branches Maximum Match Benefit	
AFSCME	\$75/mo
Non-contract	\$75/mo
SPOC	\$75/mo
UE/IUP	\$50/mo (\$75/mo beginning Jan 2008)
Judicial Branch Maximum Match Benefit	
All employees	\$75/mo

★ **Tax-Deferred Earnings**

Your contributions and investment earnings are not taxable until you take money out and use it as income.

★ **Investment Selection**

There are 4 active investment providers with many investment options ranging from conservative to aggressive. You may change your active provider investment options at any time without fees or restrictions (with exception to Nationwide's fixed rate account which has a 5-year transfer restriction).

★ **Enrollment (always open)**

Call one of the providers listed here to request enrollment information or an appointment. Once you have chosen a provider, they will supply you with all the paperwork necessary to start investing.



AIG VALIC
Hartford Life
ING Financial Advisers
Nationwide

515-267-1099 or 800-892-5558 ext 88700
800-424-2825 ext. 47634 or 319-270-7505
800-555-1970 or 515-698-7973
877-677-3678, option 1 then option 2

Your account works like this...

pretax deductions¹ are taken from your paycheck & deposited into your selection of investments in your RIC 457 account

(you may roll your previous employer 457 plan into your RIC 457



pretax contributions from your employer are deposited into your selection of investments in your RIC 401(a) account

(you may roll your previous private plan or IRA into your RIC 401(a)

once separated from State employment...²

you may leave your money in RIC, take payments, or roll³ over to an IRA or other employer-sponsored plan

¹The total of all contributions made to this 457 plan and/or any other government employer's eligible 457 plan in 2007, must not exceed the IRS maximum limit of \$15,500 (\$20,500 for employees age 50 or older and \$31,000 for 3-Year Catch-Up participants).

²You cannot receive payment from your 457 account while employed unless you apply and qualify for a Hardship Withdrawal.

³If you roll your 457 out of RIC to an IRA or other qualified plan, an IRS 10% penalty may apply for taking payments prior to age 59 ½.

★ Distribution Requests at Termination

If you are invested with AIG VALIC, AXA Equitable, Hartford Life, ING Financial Advisers, or Nationwide, you may contact them directly (after termination of employment) at the numbers listed below to request a distribution.

AIG VALIC	800-892-5558 ext 88700
AXA Equitable	877-800-7279 (option 3)
Hartford Life	800-528-9009
ING Financial Advisers	800-555-1970 or 515-698-7973
Nationwide	877-677-3678, select option1 then select option 2



If your investments are with any provider other than the five listed above, you must download a Distribution Form from our website at www.das.hre.iowa.gov/benefits_ric_forms.html or request one from the Department of Administrative Services (DAS). Once your completed distribution form is received, a letter of instruction will be sent to your provider requesting distribution. You will want to call your provider to find out if they require additional distribution paperwork.

★ Distributions While Employed

Service Credit Purchase - If you qualify, you may request to move money from your RIC 457 account to IPERS while working for the State. This is a non-taxable transfer. To find out if you qualify to purchase IPERS credits (or quarters) contact IPERS toll free at 800-622-3849 (281-0020 in Des Moines) or email them at Info@ipers.org. If you would like to use your RIC 457 money to make a service credit purchase, please complete the Retirement Investors' Club Service Credit Purchase Rollover Form and return it to us along with the IPERS Rollover/Direct Transfer Form (provided by IPERS).

Hardship withdrawal – You must provide proof of financial hardship based on an unforeseeable emergency. Strict federal guidelines determine whether or not your request will be approved.

Cash Out - only available to participants who have less than \$5,000 in their account and have not contributed to the plan in the previous 24 months.

★ Provider Transfers

You may request to transfer your account to another provider. It is important to ask your current provider if you will incur withdrawal charges. If you are subject to withdrawal charges, you may have the option to request an automatic annual transfer of your contract until the penalty period is past. The four active providers have no withdrawal fees or restrictions on transfers (with exception to Nationwide's fixed rate account which has a 5-year transfer restriction).

★ Additional tax credit notice



If your adjusted gross income does not exceed \$50,000 for joint filers or \$25,000 for single filers, you may be eligible to attain a tax credit of up to \$2,000. Consult a tax professional if you have additional questions about this retirement savings contributions tax credit.

★ Additional Information

For additional information or to email us, visit our website at www.das.hre.iowa.gov/ric.html . If you have questions, please call Robbie Stoecker at 515-242-6846.