



CHICAGO
DEFERRED COMPENSATION PLAN

City of Chicago Deferred Compensation Plan

Approaching Retirement



Important things you should know

- Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution
Not insured by any federal government agency • May lose value

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Nationwide and its representatives do not give legal or tax advice. An attorney or tax advisor should be consulted for answers to specific questions.

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Our objectives today

Through this workshop, we will help you:

- See how well prepared you are for retirement
- Learn how to identify your income gap
- Identify your options for getting better prepared
- Understand how continuing participation in your plan can benefit you through retirement

Building your retirement income

3 sources of retirement income

1. Social Security
2. Pension
3. Personal savings



Social Security is only the foundation

Calculating your benefit:

The amount of your Social Security benefit depends largely on when you retire. Delaying your retirement by even a few years can result in a higher monthly benefit.

For more information, visit ssa.gov.



Your pension may not be enough

Experts agree you'll need at least 80% of your current income to maintain the same standard of living in retirement.¹

¹ [Fortune.com/recommends/investing/how-much-money-do-you-need-to-retire](https://fortune.com/recommends/investing/how-much-money-do-you-need-to-retire) (March 22, 2023).



It's up to you to bridge the income gap

Retirement Plan savings options:

- Employer-sponsored plans — 401(k), 403(b), 457(b), etc.
- Traditional or Roth IRAs

The plan was made for you

Not every retirement plan is as special
as your deferred compensation plan,
because **it was created exclusively
for public employees like you.**



Are you ready for retirement?

A Nationwide Personal Retirement Consultant can assist you with a:

- Health care cost analysis
- Social Security income analysis
- Retirement income analysis
- Other financial products and services

**Call 1-866-975-6363 or email
INVESTNW@nationwide.com**

Retiring soon? Catch up.

Choose from two options:

- Age 50+ Catch-up
- Special 457 Catch-up

Annual contribution limits

Regular limit: \$22,500 — Average per pay: \$937

Age 50+ limit: \$30,000 — Average per pay: \$1,250

Special 3-year catch-up: \$45,000 — Average per pay: \$1,875

- All limits are applied on a calendar-year basis
- Incoming rollovers from other plans do not count toward these limits

Source: IRS.gov

Catch-up example

Participant age: 47¹; years of service: 17¹

- 2023: \$45,000
- 2024: \$45,000
- 2025: \$45,000
- 2026+: \$30,000

The participant can change the deferral amount at any time but is eligible to "double up" only through 2025.

Eligibility requirements must be met for the Special 457 Catch-up. Participants must have underutilized contributions from previous years.

¹ Age and years of service requirements may vary. The participant must be within 3 years of Normal Retirement Age as defined by the employer's pension eligibility standards. Exceptions apply.

Time-due buyout

- **Must complete a form with Nationwide to elect a deferral**
- Subject to annual contribution limits
- Can accept deferrals up to the later of the end of the calendar year or 2½ months after retirement
- Those retiring within 2½ months of the end of the year may see their buyouts processed in the next calendar year
- Nationwide does not determine when buyout checks are processed

Time-due buyout example

Participant:

- Retired on 12/17/2023
- Not married

2024: \$45,000 Time due¹ (vacation/furloughs/compensation/etc.)

+ \$50,000 Spousal annuity refund – rollover

= \$95,000

¹ This figure assumes the participant is eligible for the Special 457 Catch-up and has sufficient underutilized contributions ... as income.

Consolidating doesn't have to be difficult

Consider simplifying your life by combining your retirement assets in your deferred compensation account.

Assets rolled over from your account(s) may be subject to surrender charges, other fees and/or a 10% tax if withdrawn before age 59½.
Neither Nationwide nor its representatives give legal or tax advice.

Consolidating doesn't have to be difficult

1. **Complete** a Nationwide rollover form.
2. **We'll work together** with you and your other provider to complete their paperwork.
3. **Simplify your life** by moving your eligible retirement assets into your deferred comp account.

Retirement options

- **Accounts can remain open**
- Investment funding options and management services remain available
- Nationwide must receive confirmation of the severance date directly from the employer before issuing the first disbursement
- Withdrawals are taxable
- 457(b) assets can be withdrawn penalty-free

Payout options are flexible

Basic types of payout options¹:

- Lump-sum
- Partial lump-sum
- Systematic withdrawal

¹ Other payout options are available.

Required minimum distribution (RMD)

Calculating your RMDs can be tricky.

But as long as you're in a Nationwide plan, we'll take care of it for you.

Will you have enough money to last through retirement?

The 3 major costs in retirement are:

1. Inflation
2. Health care
3. Longevity

Hypothetical systematic withdrawal:

Beginning balance: \$200,000

Assumed yield: 3.00%

Monthly payment amount: \$1,101

Expected duration: 20 years and 0 months





6% rate of return example

Beginning balance: \$200,000

Assumed yield: 6.00%

Monthly payment amount: \$1,101

Expected duration: 36 years and 5 months

What kind of investor are you?

Do it myself

Help me do it

Do it for me

Target Date Funds invest in a wide variety of underlying funds to help reduce investment risk. So, in addition to the expenses of the Target Date Funds, you pay a proportionate share of the expenses of the underlying funds. Like other funds, Target Date Funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

What is a managed account?

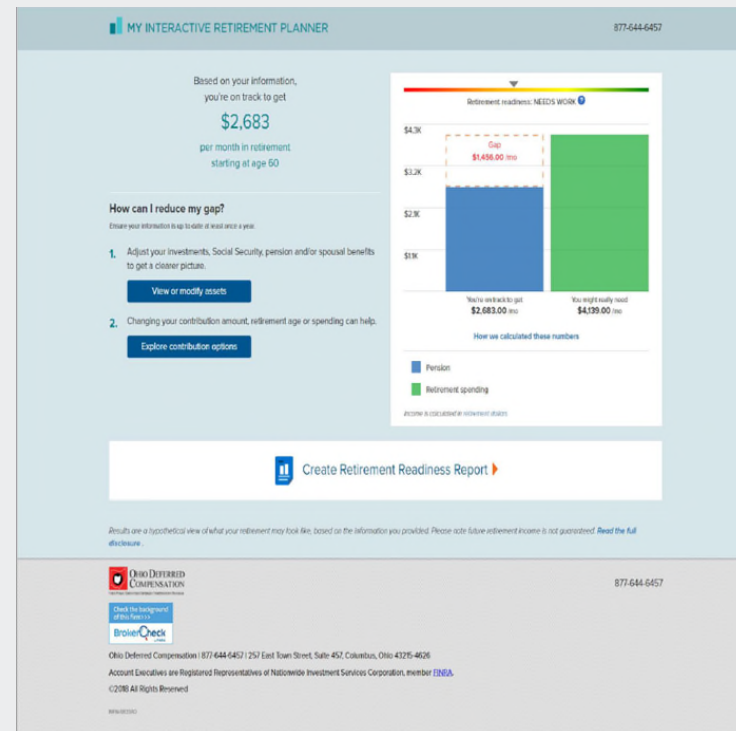
A professional service that offers:

- Professional investment management
- In-depth fund and manager research
- Portfolio monitoring
- Periodic adjustments

A closer look at My Interactive Retirement PlannerSM

You will now have a picture of
any projected gap in your
retirement goals.

- Projected income and desired income are compared to provide a meaningful gap analysis
- There are options to view or modify assets and explore potential contribution increase options



Nationwide can help

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To schedule an individual
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Q&A