

Make Your Plan®

It is important to begin planning and taking advantage of the various investment options available to you. You are in control of your financial future, and taking the proper steps now will help ensure a comfortable retirement.

- Maximize your contributions to voluntary retirement plans such as 403(b) and 457(b) Plans.
- Participate in other types of savings accounts that provide tax-deferred growth or tax-free growth.
- Do your best not to take early distributions that can reduce accumulations and compounding.
- Meet with your American Fidelity Account Representative annually to discuss your savings goals and increase your contributions.

For individual tax advice, please consult your tax advisor.

Let Us Help

Regardless of the path you choose, American Fidelity can assist you in understanding your options and executing your plan. With a variety of options in both fixed and variable annuities, experienced account representatives, and year-round service support, we are prepared.

Contact an American Fidelity representative today for more details and information to help you **make your plan**® and fund your future.

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Start Early

When it comes to planning for retirement, you shouldn't cut any corners. The earlier you start saving, the more time your money has to grow. And, when retirement actually comes, you will thank yourself for starting early!

A 457(b) Plan is one option you have for saving for retirement.

What is a 457(b) Plan?

457(b) Plans are employer-sponsored plans for tax-exempt entities and state and local governmental organizations, including public schools. A 457(b) Plan allows eligible employees to defer a portion of their salary on a pre-tax basis, to save for retirement.

Similar to other deferred compensation plans, such as 401(k) Plans and 403(b) Plans, the 457(b) Plan allows participants to defer income tax on contributions until funds are withdrawn. One key difference is that 457(b) Plan distributions are not subject to the Internal Revenue Code (IRC) 10% early distribution tax penalty, although the distribution is subject to ordinary income taxation.

What are the benefits?

The plan allows another way to set aside money to plan for retirement.

- Contributions and any earnings to a 457(b) Plan are tax-deferred.
- Money has the chance to potentially grow with the power of time and compounding.
- Unforeseeable emergency withdrawals may be available if certain qualifications are met and if your Plan permits.
- Loan options available, if your Plan permits.
- Contribution limits are not aggregated with other qualified plan contributions, meaning a participant can contribute the IRC Plan annual deferral contribution limit amount to a 403(b) Plan and to a 457(b) Plan.

What is the contribution limit?

The maximum annual employee contribution is set by the IRS. Your American Fidelity account manager can assist you in calculating your maximum annual contribution amount.

American Fidelity currently does not offer Roth IRAs on an after-tax basis.*

Participating in the Plan

To participate, eligible employees must complete a 457(b) Enrollment Form. The form must be completed prior to the first of the month in which salary deferrals are to begin.

By setting aside funds now, you could have money available when you need it for retirement!

- You may stop contributions or change the amount of your deferral as allowed by your Plan.
- Your contributions can be deducted pre-tax from your paycheck, as well as after-tax.*
- Income taxation on your contributions is deferred until a distribution occurs. This does not eliminate the tax.

Withdrawing from the Plan

Employees may withdraw funds for the following reasons:

- **Retirement**
- **Separation from service**
- **Certain unforeseeable emergencies, if allowed by the Plan.**

An unforeseeable emergency is a severe financial hardship resulting from an illness or accident, property loss caused by casualty, or other similar extraordinary and unforeseeable circumstance resulting from events beyond the individual's control that cannot be relieved by other means.

**This is only a brief summary of some of the features of a 457(b) Plan. Please consult a tax advisor for complete details regarding this plan and your specific tax situation.*