



TERMINATION PAY CONTRIBUTION OPTION

Maximizing Contributions as You Retire

Preparing for retirement is a very special time that is filled with important and sometimes difficult decisions. However, deciding what to do with a termination payout on your final paycheck can be an easy choice! Many people find that they will receive a significant payout of Termination Pay (i.e., unused/accrued vacation, sick leave, holiday and Non-Elective Leave*) on their final paycheck. This is an exceptional opportunity to “boost” your retirement account balance by contributing a portion of your Termination Pay to your Deferred Compensation and Thrift Plan (“Horizons Plan”) and/or your 401(k) Savings Plan!

Here’s the good news!

- Contributing Termination Pay into your Plan(s) may be a great way to take advantage of tax-deferred savings.
- Making a single large contribution to your account may be a great way to bolster your retirement nest egg.
- Your contributions can continue to grow in your investments.
- Contributions are conveniently taken directly from your termination paycheck.
- Your contribution percentage can be 1% to 100% of your Termination Pay up to the applicable contribution limit. Any excess amounts will be paid to you in a check from the County.
- You can enjoy the flexibility of withdrawing money from your Horizons Plan and/or 401(k) Savings Plan when you actually need it.

Some important things to know about contributing Termination Pay:

- **TIMING** – Start planning at least three months before your retirement or separation-from-service date.
 - » **90 days before retirement** – Find out from your payroll department the amount of your Termination Pay and contact your local Glendale office at (800) 382-8924 to determine if you are eligible and/or would like to apply for the Horizons Special Three-Year Catch-Up. To learn more about the Horizons Special Three-Year Catch-Up, read the flier on www.countyla.com.
 - » **60 days before retirement** – Receive required paperwork and make sure to return it to Empower Retirement the month prior to the month you retire or separate from service.
 - » **30 days before retirement** – Call your local Glendale office 30 days prior to your retirement or separation-from-service date to confirm your information has been entered in the system.
- **FORM** – You must complete a Termination Pay Contribution Form to contribute Termination Pay to your Horizons Plan and/or 401(k) Savings Plan.

- **REMAINING PAYROLL CONTRIBUTIONS** – Call Empower to determine whether you should adjust the percentage deducted from your remaining semi-monthly paychecks.
- **CONTRIBUTION LIMITS** – Termination Pay and regular payroll contributions cannot exceed IRS limits. Contribution limits are determined annually by the IRS. Refer to the contribution limits bulletin on www.countyla.com.
 - » For the Horizons Plan, the limit includes the County’s matching contributions.

Note: Termination Pay is not eligible for a County-matching contribution.

Need help determining the correct percentage of your Termination Pay to contribute or how to go about contributing some of it?

Work with an Empower Retirement representative at your local Glendale office to find out more. The representative will help you determine:

- The annual contribution limit applicable for you;
- The amount you are eligible to contribute;
- The timing of your Termination Pay contribution;
- Horizons Special Three-Year Catch-Up eligibility; and
- Whether your semi-monthly contribution percentage should be adjusted.

Ready to get started? As soon as you know the amount of your Termination Pay, contact your local Glendale office representative at (800) 382-8924 to discuss your options.

You must be enrolled in the Horizons Plan and/or 401(k) Savings Plan to be eligible to contribute Termination Pay to the Plan(s).

For additional information, to obtain a Termination Pay Contribution Form or to enroll in the Plan(s), please contact your local Glendale office at (800) 382-8924.

* MegaFlex participants: Instead of traditional vacation and sick leave days, MegaFlex participants earn Non-Elective Leave (NEL) days. Unused accrued NEL may be contributed to your Horizons Plan/ 401(k) Savings Plan(s). Elective Leave hours that are purchased are not considered for the purpose of your Termination Pay contribution.

Investment options and their underlying funds have been selected by the Plan Administrative Committee. Core securities are offered through GWFS Equities, Inc., Member FINRA/SIPC.

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