



## 401(A)/457(B) CONTRIBUTION INFORMATION

### *What is a 457(b) account? What is 401(a) account?*

A 457(b) account allows you to defer taxation on a portion of your salary by contributing it on a pre-tax basis into a separate account. Contribution amounts for a 457(b) account are in accordance with Internal Revenue Service (IRS) requirements. You may choose to contribute either a percentage of your base salary, or you may designate a specific dollar amount.

Shasta County's 401(a) account is a supplemental account into which Shasta County will deposit contributions that match your 457(b) contribution up to a maximum of 3 percent of your base salary.

### *Why does Shasta County have a 401(a)/457(b) contribution?*

Shasta County no longer contributes to retiree medical premiums for UPEC-General and DSA-Correctional employees hired after December 31, 2017 (and all other employees hired after December 31, 2016), other than the minimum required amount under the Public Employees Medical and Hospital Care Act. When you enroll in a 457(b) account, you are eligible for a County match of up to 3 percent in a 401(a) account. The 401(a) account is intended, although not required, to be used for health costs that the County does not pay after you have retired. **This has no impact on your retiree pension; it only applies to the retiree medical premium.**

### *I'm an existing employee. Can I change to a 401(a)/457(b) account instead of receiving my "grandfathered" contribution to my retiree medical premium?*

Any current regular County employee may opt out of additional County contributions to the retiree medical premium and participate in a 401(a) plan. You must go to the Auditor-Controller's Office to complete and sign the form to elect to opt out.

**FOR ALL EXISTING EMPLOYEES: The decision to participate in a 401(a) plan in lieu of receiving the additional County contribution to the retiree medical premium is irrevocable.**

### *How do I enroll in a 457(b) account?*

You are responsible for opening your 457(b) and 401(a) accounts, selecting investments, selecting the contribution amount to the 457(b) account, and submitting the required paperwork to Auditor Payroll.

You may open your 457(b) and 401(a) accounts during your New Hire appointment or online by accessing the links found on the Shasta County Intranet at [http://intranet/support-services/personnel/benefit information.aspx](http://intranet/support-services/personnel/benefit%20information.aspx), in the "401(a) and 457(b) Enrollment" section. You may also schedule an appointment with a VALIC or VOYA/CalPERS representative to discuss 457(b) account options. **You are strongly encouraged to enroll at the time of your New Hire appointment; the County match to the employee contributions to your 401(a) account will not be made retroactively.**

### *Is there a vesting schedule?*

Employees are fully vested in the 401(a) account after 10 years of employment with Shasta County. Vesting increases 10 percent with each year of employment (4 years of Shasta County employment = 40 percent vested, 10 years of Shasta County employment = 100 percent vested). If a full-time or part-time employee leaves and returns to Shasta County, previous service time is applicable toward their vesting schedule. Service from another county is not applicable.

### *Can I cash out my 457(b)/401(a) if I don't retire?*

Your options for withdrawing, "rolling over," and otherwise using 457(b) and/or 401(a) account money are subject to legal requirements or limitations of the IRS and any other applicable laws with which the County and the plan(s) must comply. Refer to applicable IRS Codes and/or VALIC or VOYA/CalPERS representatives for detailed information.

### *Is there somewhere else I can get more information?*

The Shasta County *Personnel Rules* or the Memorandum of Understanding for your bargaining unit will have detailed information about the County contribution to retiree medical premium and 401(a) plans.