



Understanding the options for your PERA SmartSave 457(b) Deferred Compensation Plan

New Mexico PERA helps you prepare for your future, both during and after your employment with us. Now that you're leaving employment, you'll need to make some decisions about the savings in your account.

This guide provides information on your options for the PERA SmartSave 457(b) Deferred Compensation Plan.

Benefits of staying in the Plan

You can retain your balance¹ in the Plan and/or choose to roll it over² to another qualified plan (subject to that plan's rules and restrictions) or IRA, or take a distribution³ (if eligible).

Stay in the Plan and you can continue to enjoy its tax-deferred growth potential. The Plan also offers you fiduciary oversight from the New Mexico PERA Board as well as lower cost institutional share class funds, with an average net fund expense ratio of 0.39%. There are no additional sales or load fees and no commissions are earned by Plan representatives. That could potentially make a significant difference in your account over time. You will also continue to have access to your account and Plan information, including retirement planning and account management tools through **PERASmartSave.voya.com** and the **Voya Retire** mobile app.

Then, when you need your savings, you're in control. You can take withdrawals at any time, or you can defer withdrawals until the year you reach age 70½, when you will begin taking Required Minimum Distributions.

Distribution information

Distribution choices and rules can be complex. You are encouraged to talk with your tax advisor or financial planner before deciding how to take your distribution. Prior to making any distribution decisions, you should call the Voya Service Center and speak with a distribution specialist who will review your options, answer your questions, and process your distribution request.

Note: The rules governing distribution provisions may be different than the distribution rules in other qualified plans. A plan's withholding rules for distributions may apply to rollover money from other plans. Prior to rolling money over, you may want to check with the plan receiving the money about any changes that may affect the distribution options of the rolled-in money.

¹Your vested account balance includes any rollover sources and any outstanding loans.

²A rollover is not taxable to you until you take payment from that institution.

³Distributions from the Plans will be subject to 20% federal tax withholding. If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plans (including amounts withheld for income tax) that you do not roll over. Ordinary income taxes may apply. State and local taxes and withholding may also apply.

Distribution options

Payment options for former employees with account balances in the Plan:

- ⚙️ Full lump sum distribution
- ⚙️ Partial distribution
- ⚙️ Installment payments

Required Minimum Distributions

If you still have a balance in the Plan in the year that you turn 70½, you are required to take a Required Minimum Distribution (RMD) by April 1 of the following year. Please visit [PERASmartSave.voya.com](https://www.perasmartsave.voya.com) for more information or to speak with a Voya Customer Service Associate (CSA).

Many of your distribution requests can be processed through [PERASmartSave.voya.com](https://www.perasmartsave.voya.com). You may also request a distribution by speaking with a Voya Customer Service Associate. CSAs are available weekdays from 7 a.m. to 7 p.m., Mountain Time, excluding stock market holidays.



Phone - **833-424-SAVE (7283)**; 800-579-5708 (Hearing Impaired Number)

Frequently Asked Questions

Can I withdraw my funds before I retire?

If you are still employed, you can withdraw money from your plan if:

- ⚙️ You experience an unforeseeable emergency that is approved by the Plan
- ⚙️ Your account balance is \$5,000 or less and you have not deferred into the Plan for at least two years, and you have not made prior withdrawals of this type
- ⚙️ You have reached age 70½

Can I rollover my annual leave payout into my deferred compensation when I retire?

Yes, as long as the amount is within the contribution maximum amounts.

Do I have to withdraw all of my deferred compensation balance when I retire?

No. You can leave your deferred compensation funds on account until you are ready to use them. You may also set up systematic payments, ie: monthly, quarterly. The IRS will require you to take the RMD (Required Minimum Distribution) at age 70½ if you have not yet started receiving payments by that age.

Can I buy retirement service credit with my deferred compensation funds?

Yes! You can use your deferred compensation funds to purchase PERA air time, military service or withdrawn service credit; the transaction is not considered taxable. You can also purchase NMERB service credit with your deferred compensation funds.

This guide is a brief, non-technical description of certain provisions of the PERA SmartSave Deferred Compensation Plan. It is not intended to be a complete statement of Plan provisions. If a description in this summary differs from the Plan documents, the Plan documents prevail.

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