

Secure a Better Tomorrow
Join the RSA-1 Deferred Compensation Plan Today

RSA-1 is a deferred compensation plan offered by the Retirement Systems of Alabama (RSA). As an RSA member, you can defer a portion of your income before taxes and have that money invested by the RSA investment staff. Both the amount you defer and the earnings on your investments are tax-deferred.

The advantages of participating in RSA-1

- You invest for retirement while reducing your current income taxes.
- Your earnings are also tax-deferred.
- RSA-1 charges **NO FEES** or any other charges to administer the plan. The reason is simple – RSA-1 does not pay any operating expenses such as salaries, utilities or rent. Some investors make the mistake of focusing only on their investment returns and ignoring fees. With RSA-1, neither your deferrals nor your earnings are ever reduced by fees or account charges.
- You may enroll at any time. The enrollment process is very easy. Just contact RSA-1 for a member handbook or download the information and forms from our Web site at www.rsa-al.gov.

Investing in RSA-1

- There are no minimum deferrals. You can put in as little as \$10 a month.
- You can increase, decrease, stop and restart your deferrals as often as you like, subject only to employer payroll requirements. No fees or penalties apply.
- A good time to join RSA-1 or increase your deferrals is when you receive a salary increase.
- If you commit to save early, the power of compounding allows you to accumulate more wealth.
- The RSA investment staff invests your monies in either fixed income investments, stocks or a combination of both. You decide the investment option in which your monies are invested.
- You can “catch-up” on unused deferrals if you are within three years of your normal retirement age.

Distributions and Withdrawals

- Your designated beneficiary(ies) is entitled to receive all remaining funds in your account in the event of your death.
- If your employer pays you for sick and/or annual leave, you may defer those monies to your RSA-1 account.
- You have very flexible withdrawal payment options available. You determine the option most favorable to you. With rising health care costs for retirees, RSA-1 funds are a great way to help offset these costs.
- You can rollover your DROP account to RSA-1 at retirement to defer federal taxes on these monies. You can then use RSA-1’s flexible withdrawal options.

- **RSA-1 also accepts trustee-to-trustee transfers from other 457 deferred compensation plans.**

Remember

- **There are limits on the maximum amount you may defer per year.**
- **All deferrals must be payroll deducted.**
- **You must either retire or terminate employment to begin withdrawals except in extreme hardship cases or reaching age 70 1/2.**
- **There are no penalties for withdrawals.**
- **Your tax burden will be at your current level of income, which in most cases is lower in retirement.**

Why save?

- **Experts estimate you will need around 80% of your final income at retirement.**
- **People live longer than ever before. If you live to age 65, you could expect to live 20 more years. You could easily spend 1/3 of your life in retirement.**
- **Inflation reduces your purchasing power.**
- **While some expenses will decrease in retirement, others such as medical expenses could increase.**

Why not keep more of what you earn and at the same time put more to work for you.

If you have any questions about RSA-1, please contact RSA-1 through one of the following avenues:

- **By Phone**
877.517.0020 or 334.517.7000
- **To Request an RSA-1 Presentation**
Contact Judy Utley, 877.517.0020
- **By Fax**
877.517.0021 or 334.517.7001
- **By E-mail**
rsainfo@rsa-al.gov
When sending an e-mail, please include your full name, employer, home mailing address and daytime phone number.
- **By Mail**
The RSA-1 Deferred Compensation Plan
P. O. Box 302150
Montgomery, AL 36130-2150

*Visit the RSA Web site for more information regarding
RSA-1 and its investment performance.*

Prepared by the Communications staff of the Retirement Systems of Alabama. To have your questions answered in "Preparing for Retirement", please address them to **Michael Pegues, Communications, Retirement Systems of Alabama, P.O. Box 302150, Montgomery, Alabama 36130-2150**. Please visit our Web site at www.rsa-al.gov.