



Angela D. Alsobrooks  
County Executive



## Upcoming Changes to the Prince George's County 457(b) Deferred Compensation Plan

### What change is happening?

Prince George's County is consolidating the MissionSquare 457(b) Deferred Compensation Plan into the Empower 457(b) deferred compensation plan, called the Prince George's County Deferred Compensation Plan and Trust. Going forward, there will only be a single provider.

### When will this change take place?

We will transition from two providers to one during the second quarter of 2023. Existing MissionSquare participants will soon receive a transition guide outlining the transition dates.

### Why are we moving to a single provider?

By moving to a single provider, the County will be able to capture reduced administrative and investment fees, streamline the investment lineup(s), offer a full range of services, and provide customized administrative services. In addition, the Prince George's County Deferred Compensation Plan and Trust Oversight Committee has identified a multitude of new services and innovative trends that Empower brings to the table.

### Why was Empower selected?

With help from an independent external consulting firm, the County's procurement team (Office of Central Services) completed a very comprehensive Request for Proposal (RFP) process and evaluated and compared the responses from five different recordkeepers. In the end, Empower offered a combination of the most competitive fees and the best employee and employer website tools. Empower also demonstrated more innovative ideas for helping our participants prepare for retirement.

### Who is Empower?

Empower is one of the current service providers – recall that they recently acquired MassMutual and converted accounts to Empower's system. Empower is a retirement plan record keeper that supports government entities like us, as well as corporate entities, to help replace income in retirement made while working. Empower has more than \$1.2 trillion total assets under administration, 70,000 retirement plans under administration, and 17 million total plan participants. You can obtain more information about Empower at [www.empower.com](http://www.empower.com).

### What will happen to my money at MissionSquare?

Accounts will be transferred to an account with Empower through a process called "mapping." This is done automatically. Prince George's County and the Plan's Investment Consultant are finalizing the mapping details and will provide specific information in future communication. If you are invested in the MissionSquare PLUS Fund on the date of the conversion, that portion of your account will remain at MissionSquare for 12 months. Following the 12-month period, any balances remaining in the PLUS fund will be transferred automatically to Empower.

### Will I have to pay to move my account from MissionSquare to Empower?

No, you will not pay a fee to move your account from MissionSquare to Empower.

**I have accounts with Empower and MissionSquare. Will my MissionSquare account be merged with my Empower account, or will it be a separate account?**

Yes, your MissionSquare assets will be merged into your existing Empower account.

**I only have an Empower retirement account. Will I see any changes during this transition?**

No, there is nothing that you need to do for the transition process.

**What can I expect during the transition process?**

During a transition process, it is necessary that a brief blackout period—a period of time when you cannot access your account—takes place to ensure the validation of account transfer is executed between vendors. A blackout period starts with your current provider restricting all financial activity on your account. Assets and records from MissionSquare will transfer to Empower, and to complete the process of mapping funds. During this period, your funds remain invested and continue to gain and/or lose value depending on market conditions. You will receive a notification before the blackout period starts and again when it has ended.

**Can I withdraw my MissionSquare money instead of moving it to Empower?**

Current employees are limited to withdrawing their monies only if they meet one of the qualified distribution reasons (i.e., separation from employment with Prince George’s County, qualified unforeseeable emergencies).

**What are new enhancements that will be expected?**

- A best-in-class core lineup of investment fund options
- Improved online tools to help manage retirement savings
- Lower administration and investment fees for plan participants
- Enhanced educational content to help make informed decisions regarding retirement
- Dedicated 1-800 phone number exclusively for Prince George’s County
- An expansion of participant services with access to a fully transactional mobile app
- Additional savings option with the roll out of the Roth 457(b) contribution

**What is a 457(b) Roth Contribution?**

The Roth 457 plan allows you to contribute to your 457 account on an after-tax basis - and pay no taxes on qualifying distributions when the money is withdrawn. For some investors, this could prove to be a better option than contributing on a pre-tax basis, where deposits are subject to taxes when the money is withdrawn.

**Is a 457(b) Roth Contribution a Roth IRA?**

No, a Roth IRA is different from a Roth contribution option in a 457(b) plan. The Roth 457(b) is part of the 457(b) plan, and a Roth IRA is an entirely separate retirement account.

**I have an IRA can I transfer these funds to my 457(b) Deferred Compensation Plan?**

Other than a Roth IRA, you can transfer any IRA (Traditional or Rollover) you have elsewhere into your 457(b) plan at any time. Current Internal Revenue Service (IRS) policy does not allow Roth IRAs to be transferred into 457(b) accounts. Please contact Empower directly for assistance with rollovers.

Consider all your options and their features and fees before moving money between accounts or consult with your tax advisor.

**What is the maximum amount I can contribute in 2023?**

For 2023, the Internal Revenue Service (IRS) allows you to contribute up to \$22,500 or 100% of your salary, whichever is less, to your 457(b) plan. Individuals, age 50+ can contribute an additional \$7,500.

**Can I still do the age 50+ and the pre-retirement catch-ups?**

Yes. Both options will still be available to you after the transition, per IRS regulations.

### **Will I need to elect a new dollar amount contribution?**

No. Your current contribution elections will remain in effect. Going forward, you will be able to elect pre-tax or Roth contributions, as either a flat dollar amount or as a portion (%) of your pay. Current contribution election amounts with MissionSquare will be automatically transferred over to your new Empower account.

### **Will I still receive a quarterly statement from Empower?**

Following the blackout period, Empower will produce electronic statements, which will be available within 15 business days of each quarter's end. These statements will be available online. You may elect a paper statement at no additional cost.

### **What happens if I am retired and receiving scheduled payments (RMDs) from MissionSquare?**

Empower will take over the payment details from MissionSquare and continue to make the recurring payments.

### **After the transition, will there be a new web address for everyone to use?**

Yes. The new web address will be [empower.com/pgcounty](https://empower.com/pgcounty). The Empower website will be available to provide enhanced tools and resources for all participants in the Deferred Compensation Plan. Once you have access, you are encouraged to access your account and update your beneficiary information online.

If you currently contribute to the Prince George's County Deferred Compensation Plan and Trust, administered by Empower, this is the same website you currently use.

### **Will Empower offer training classes and webinars?**

Yes, Empower will conduct virtual group meetings about this transition and offer many ways to learn more about investing and planning for retirement in the future.

### **Where can I see what planning services and financial tools Empower Retirement will offer me?**

Empower has a website you can visit to see all the tools and calculators. Visit [learningfromempower.com](https://learningfromempower.com) and look around for a lot of information and videos on financial wellness and retirement planning. These resources are available to the public; you don't have to have an Empower account set up to use these tools.

### **Will my account be secure after the transfer to Empower?**

Yes. Empower places a high priority on cybersecurity, in addition to offering a security guarantee that helps protect your account integrity if there is a breach through no fault of your own. Empower has several simple steps available to help strengthen the security of your account.

- Register your account on Empower (set up your username and password)
- Provide your most current email and phone on your account
- Use a password manager (such as IPassword, KeePass, or other reputable managers)
- Use multifactor authentication (MFA)
- Leave MFA enabled by not clicking "remember this device"
- Pay attention to security alerts
- Freeze your credit (don't forget to add all family members)

You don't have to wait for the transition to get more information on Empower and its commitment to cybersecurity. Check out more steps you can take by visiting [empower.com/pgcounty](https://empower.com/pgcounty) and clicking the Security Tips link at the bottom of the page.

### **How do I create/register my account with Empower?**

*It's easy to create your account if you haven't already. Visit [www.empower.com/pgcounty](http://www.empower.com/pgcounty) and select "Log in" in the upper right-hand corner. On the next screen, click on Register and choose the I do not have a PIN tab. Click Español to view the website and receive your statements in Spanish.*

*You will be able to register your account once the transition from MissionSquare has begun.*

### **Why is registering my account on Empower so important?**

*By setting up your account with a username and password, you provide the first line of defense against possible fraud attempts. A person trying to access your assets must first know your login information. If you haven't set up your account, there is no login information, allowing the potential perpetrator to pass that first gate.*

### **\*How do I download the Empower mobile app?**

*It's available on both Apple and Android devices, for mobile phones, tablets and the Apple Watch. Go to your device's app store and search for Empower. Then just download the app and log in with your existing username and password.*

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### **What is the difference in the investment options with Empower versus MissionSquare?**

*Empower will provide more information on the fund investment options. MissionSquare participants will receive a Transition Guide outlining the investment options under Empower.*

### **Is there someone I can speak with at Empower to discuss my investments?**

*Yes, we have two Retirement Plan Advisors available to speak with you regarding your Empower account. Please reference the Meet Your Representative section of the website and schedule an appointment with one of our two representatives.*

*Visit the Meet Your Representative section of the website at: <https://www.empower.com/client/pgcounty/meet-your-rep.html>*

### **Will this change impact my Pension benefit?**

*No, this change has no impact in our Pension account.*

## **DISCLOSURES**

*Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower Retirement for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.*

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