




Help achieve your financial retirement goals with the SFDCP



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Important Disclosures

Registered representative of and retirement educational seminars are provided by Voya Financial Advisors, Inc. (VFA). These educational seminars are provided to you as a supplemental service to your plan sponsor as part of the Plan Administrative services provided by Voya Institutional Plan Services, LLC (VIPS). The information contained herein should not be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. You should contact your investment representative (or advisor), attorney, accountant or tax advisor, with regard to your individual situation prior to implementing a retirement plan strategy.



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Your expenses don't end when you retire

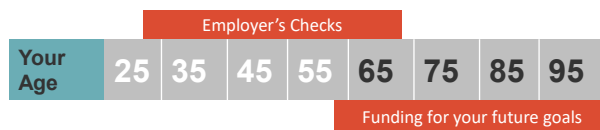
How long do you expect to live in retirement...the next **1/3** of your life?

65-year old female: **66%** chance of living to at least age 85*

65-year old male: **55%** chance of living to at least age 85*



The truth is, you may need to live without a paycheck for as long as you have lived with one. **How much will you need?**



* American Academy of Actuaries and Society of Actuaries, Actuaries Longevity Illustrator, <http://www.longevityillustrator.org/>, (accessed 11/30/2023).

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Did you know?

- **53%** of SFERS pensioners have benefits of less than \$4,000 per month.¹
- **27%** of retirees report that their spending amounts are higher than what they can afford.²
- In 2023, the total cost of living in San Francisco was **79%** higher than the national average — and housing was **207%** more expensive than the national average.³

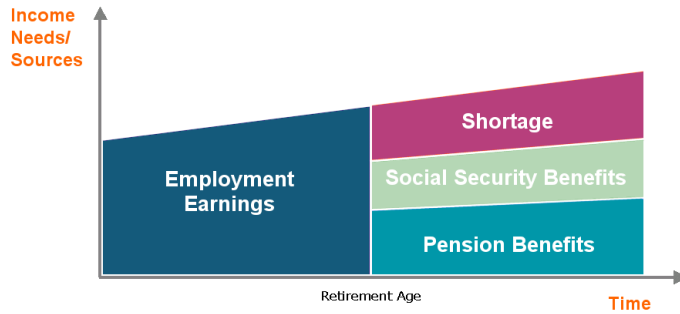
¹ As of July 1, 2022; Source: 2022 SFERS Actuarial Valuation Report

² The Employee Benefit Research Institute. Report From 2022 Spending in Retirement Survey Finds Increase in Retirees Spending More Than They Can Afford. https://www.ebri.org/docs/default-source/ebri-press-release/pr-1313-spendinginret-11oct22.pdf?sfvrsn=57a1382f_2

³ <https://www.payscale.com/cost-of-living-calculator/California-San-Francisco> (accessed 11/30/2023)

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Will you have enough to fund your retirement?

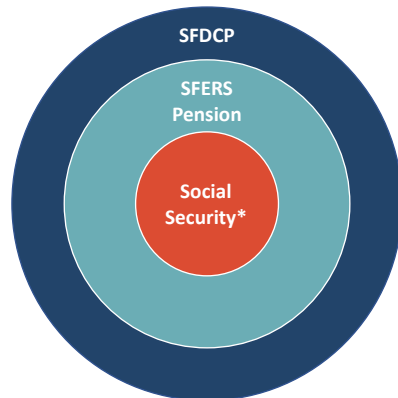


IMPORTANT: The illustrations or other information generated regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

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Take aim at your retirement planning



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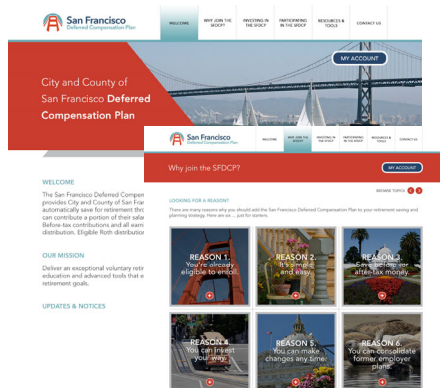
Participating in the SFDCP

- Contributions are made through before-tax and/or after-tax (Roth) payroll deductions.
- You can choose to increase, decrease or stop contributions at any time.
- Investment options are carefully selected across a broad spectrum of asset classes, and the Plan also offers target date funds, model portfolios, a self-directed brokerage account, and professional advice services.
- The San Francisco Deferred Compensation Plan provides department dedicated SFDCP Counselors as an added benefit.

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SFDCP.org



- Enroll in the SFDCP
- Access your account
- Plan features
- Investments overview
- Resources & Tools

Go mobile!

Search keyword: **Voya Retire** for the Voya Retire mobile app

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The SFDCP gives you a tax choice

Before-tax 457(b) Option

- contributions go in pre-tax
- earnings are tax deferred
- taxes are due upon withdrawal
- Required Minimum Distributions required

Roth after-tax 457(b) Option

- money goes in after-tax
- earnings are tax free
- tax-free withdrawals as long as certain qualifying conditions are met*
- Required Minimum Distributions no longer required (starting in 2024)

Combination of both options

* Distributions of Roth 457 (b) contributions will be tax-free for federal income tax purposes if they are 'qualified distributions' which means the funds are held for 5 years and the distribution is due to attainment of age 59½, death, or disability.

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How much can you save?

- You can make pre-tax and Roth after-tax contributions
- Maximum combined contribution limits for 2024:

Under age 50
\$23,000

*If age 50 or older**
\$30,500

*Special Catch-Up***
\$46,000

* Age 50 and older before year-end.

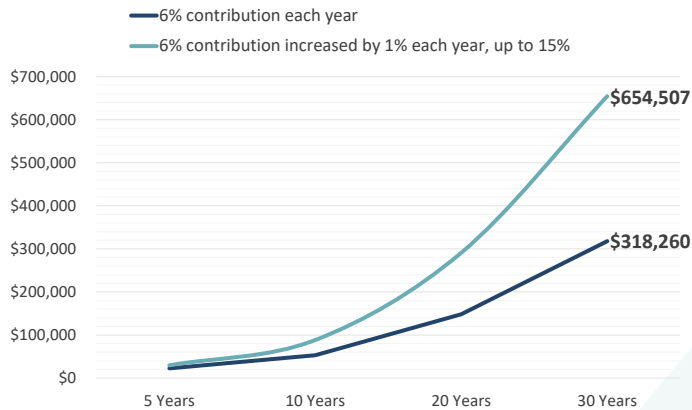
** This special election catch-up applies to employees participating in an eligible governmental 457(b) deferred compensation that have elected the special catch-up available in the three years prior to the year of normal retirement age. If you are eligible for both the Age 50+ catch-up and the special election catch-up under your 457(b) plan, IRS rules do not allow you to use both in the same calendar year. IRS rules permit you to use the catch-up that lets you contribute the greater amount.

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Rate Escalator — Set it and forget it!

Accumulated Value after 30 Years



* The illustration assumes an annual salary of \$65,000, contributions made each month, earning 6% interest, compounded monthly with deposits at the end of each month. The illustration does not reflect the performance of a specific investment. All returns are hypothetical, not guaranteed and do not reflect the past or future performance of a specific investment option. Payment of income taxes is not reflected. Systematic investing does not ensure a profit or protect against loss. You should consider your ability to invest consistently in up and down markets. Taxes will be due at the time of withdrawal from a tax-deferred investment.

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What is a diversified portfolio?



Think of your retirement portfolio as a well-balanced diet.

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Diversify your investment “mix” based on asset classes



Using diversification as part of an investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.

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SFDCP investment support ranges from...

HELP ME

DO IT FOR ME

DO IT MYSELF

GUIDE ME

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Do it yourself with SFDCP core funds

Active Funds

- SFDCP Stable Value Fund
- SFDCP Core Bond Fund
- SFDCP Small-Mid Cap Equity Fund
- SFDCP International Equity Fund
- SFDCP Real Estate Fund
- SFDCP Active Equity Fund
- SFDCP Large Cap Value Equity Fund

Hybrid (mix of active and passive)

- SFDCP Large Cap Growth Equity Fund

Passive Funds

- SFDCP Bond Index Fund
- SFDCP Small-Mid Cap Equity Index Fund
- SFDCP International Equity Index Fund
- SFDCP Large Cap Equity S&P 500 Index Fund
- SFDCP Large Cap Social Equity Fund

Investments to suit you

The Schwab Personal Choice Retirement Account® (PCRA) provides access to an expanded choice of investments including open-end mutual funds, no-load, No Transaction Fee (NTF) funds, publicly traded stocks, Exchange Traded Funds (ETFs) and fixed income securities, including CDs.

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What are active and passive funds?

Your plan offers both Active and Passive Options to appeal to both investor styles.

Active Funds

- Uses an individual or team of professionals to select a portfolio of investments
- Attempting to select securities that will do better than a market index
- Typically higher fees than passive to support security analysis

Passive Funds

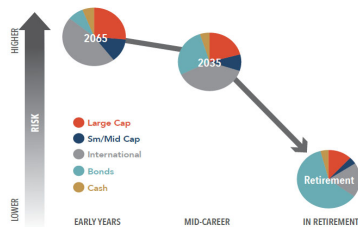
- Automatically invests in all holdings in a defined market index
- Not attempting to achieve higher returns than a market index, only match it
- Usually inexpensive, broad exposure to a group of investments

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Get help with SFDCP Target Date Funds

- A complete, actively managed, diversified mix.
- Designed for SFDCP employees.
- More stocks in your early working years.
- Lower level of stocks and an increase in bonds as retirement approaches.
- Shifts to a static allocation at age 75.
- Designated as the SFDCP Default Investment Alternative.



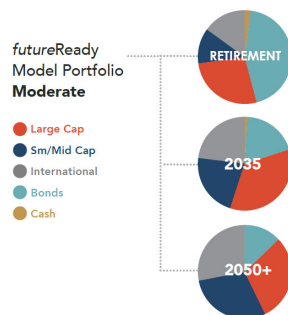
An investment in a Target Date Fund is not guaranteed at any time, including on or after the target date.

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Get help with *futureReady* Model Portfolios

futureReady Model Portfolios, leveraging Financial Engines methodology, are uniquely structured investment portfolios using passively managed index funds already available in the SFDCP. All of the *futureReady* Model Portfolios also provide a gradual shift to more conservative investments over time which helps to provide more portfolio stability as you get closer to retirement.



Each *futureReady* Model Portfolio includes three risk preferences – **Conservative, Moderate, and Aggressive** – for each target retirement year

Methodology provided to Voya by Financial Engines Advisors L.L.C., a federally registered investment advisor and wholly owned subsidiary of Edelman Financial Engines, LLC. Future results are not guaranteed by FEA or any other party and past performance is no guarantee of future results. Financial Engines® is a registered trademark of Edelman Financial Engines, LLC. All other marks are the exclusive property of their respective owners. FEA and Edelman Financial Engines, L.L.C. are not members of the Voya family of companies.

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Guide me with Voya Retirement Advisors

Investment advice is offered through Voya Retirement Advisors (VRA), powered by Edelman Financial Engines. You have three ways to get advice:

- Get personalized advice from an investment advisor at **no additional cost** by calling **888-SFDCP-4U** (733-2748)*
- Online advice is available through **SFDCP.org** at **no additional cost** if you prefer to manage your own account but want some professional guidance along the way
- The Professional Management program

Advisory Services provided by Voya Retirement Advisors, LLC (VRA). For more information, please read the Voya Retirement Advisors Disclosure Statement, Advisory Services Agreement and your plan's Fact Sheet.

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Do it for me with Professional Management

The Professional Management¹ program, powered by Financial Engines — **available for an additional fee based on your SFDCP account balance** — lets you work with a VRA Representative who will:

- Review your retirement savings and investments.
- Walk you through a personal assessment.
- Suggest changes to your Plan investment choices and savings amounts.
- Manage your account on an ongoing basis.
- Provide Quarterly Retirement Updates.

¹To enroll in Professional Management, you may be required to enter into a services agreement with VRA. The San Francisco Deferred Compensation Plan does not review individual participant services agreements. You should consider seeking your own independent legal advice regarding your rights and obligations under the services agreement. Professional Management fees are 0.45% for the first \$100,000; 0.35% for the next \$150,000 and 0.25% for \$250,000 and over.

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Advisory Services provided by Voya Retirement Advisors, LLC (VRA)

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Your withdrawal options

Your choices for withdrawals while you are still employed include:

- Loans
- De Minimis
- Rollover Sources
- Unforeseeable Emergency
- Purchasing Government Service Credits
- Qualified Domestic Relations Order
- In-Service Withdrawals at Age 70 ½

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Buyback opportunities (if eligible)

- May increase your lifetime monthly pension benefit
- You may purchase eligible service or pay a shortage at any time prior to your retirement date; however, the purchase of service or payment of shortage must be completed prior to your retirement.



For more information, visit [MySFERS.org](https://www.MySFERS.org)

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Join the SFDCP and turn time into money!

- Upon separation or retirement, you are eligible to cash out or convert 100% of your vacation balance to your SFDCP account*
- The extra money can grow along with your other SFDCP investments
- Call **888-SFDCP-4U** (733-2748)

* Up to the IRS Annual Limits

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Your options when separating or retiring

- Keep your money in the SFDCP and continue to invest it
- Receive a total distribution
- Take a partial withdrawal
- Set up periodic installment payments
- Roll your money over into a new employer's retirement plan or an individual retirement account (IRA)
- Monthly Income+ payments, which are available exclusively to members of the Professional Management Program

With Professional Management with Income+, payouts begin in retirement at your request. Professional Management with Income+ seeks to manage your investments to create payouts that can last into your early 90s. If you think you'll want payouts longer than that and want a lifetime guarantee, consider an optional out-of-plan annuity purchase. However, annuities are not guaranteed to be available and are generally unavailable to those over age 85 or for balances less than \$10,000. Annuities are not right for everyone and you should decide if they are appropriate for you. Voya Retirement Advisors, LLC and Edelman Financial Engines, LLC do not guarantee payout amounts or payouts for life.

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Stay in the SFDCP

- Money continues to grow tax-deferred
- Low-cost investment options screened and monitored by the Retirement Board—plus a Self-Directed Brokerage Account option for even more choices
- Institutional pricing (meaning lower management fees), which could save you money vs. retail pricing costs (ex. IRA)
- Penalty-free access to your money at any age at retirement or termination of service
- No-cost, unlimited access to personalized guidance from experienced SFDCP Counselors

¹ Rollover funds from an employer sponsored plan or an IRA may be subject to early withdrawal penalties.

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Total distribution (lump sum)

The full value of your account will be distributed to you.

You will have immediate access to your full account balance. However, disadvantages of a total distribution include:

- Tax consequences (including a mandatory 20% federal income-tax withholding)
- Losing the potential for tax-deferred growth
- Spending retirement assets

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Accessing your money

If a withdrawal is necessary, perhaps a partial withdrawal is an option.

Partial withdrawals can:

- Provide income for immediate needs
- Keep unneeded money invested
- Keep a part of your account tax-deferred
- Limit your current tax exposure
- Keep some money targeted for retirement

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Periodic installment payments

If you need a consistent, ongoing income in retirement, you can choose a periodic installment payment.

Periodic installment payments can:

- Provide a specified dollar amount on a monthly, quarterly, semi-annual, or annual basis **or** provide income for a specified time frame. Installments can be stopped or changed at any time.
- Allow you to continue participating in the SFDCP while realizing ongoing income in retirement
- Limit your current tax exposure

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Rollover to another employer sponsored plan or an IRA

You may elect to roll over all or a portion of your balance to another qualified and eligible employer sponsored plan or an IRA.

However, disadvantages of rolling funds out may include:

- Possible higher fees
- No longer having access to Retirement Counselors at no cost
- Incurring the 10% early withdrawal tax if you make withdrawals before age 59½

Rollover assets may be assessed fees or other surrender charges.

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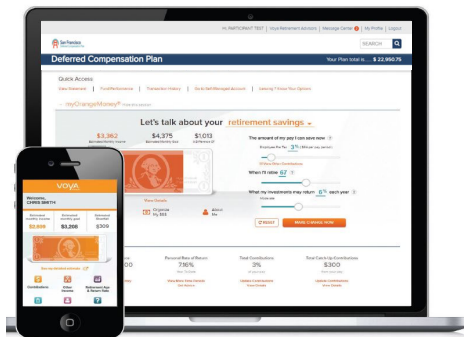
Required Minimum Distributions (RMDs)

- The IRS requires that distributions from before-tax money under plans like the SFDCP begin no later than April 1 of the calendar year following the year in which you attain age 73 or sever your employment, whichever occurs later.
- Does not apply to Roth money (starting in 2024).
- Once you qualify for a RMD, you are required to withdraw a minimum amount from your account each year, based on your life expectancy.
- You can take your RMD in full once a year or in parts during the year to meet the annual requirement.
- If you fail to receive the RMD for any tax year, a 25% excise tax is imposed on the required amount that was not distributed in a timely manner.

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How much should you save?



myOrangeMoney®

- See the income you'll likely need each month in retirement
- See the estimated progress you've made towards the goal
- Illustrate how different saving and investment performance scenarios can affect your potential outcomes
- Make changes to your account, as needed, to stay on track for retirement

IMPORTANT: The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.

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Talk to us!

- Call **888-SFDCP-4U** (733-2748) Monday through Friday between 5 a.m. and 5 p.m., except stock market holidays
- Visit **SFDCP.org** and click *Contact Us* to see the list of SFDCP Counselors by Department
- Email or call your SFDCP Counselor directly
- Schedule a personal 1-on-1 meeting at a date and time that's convenient for you
 - <https://ccsfdcp.timetap.com>

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SFDCP Counselors are close by

Want to meet or speak with someone near you? For help with your personal retirement planning and savings strategy, visit the Contact Us page of **SFDCP.org** to find your department dedicated Counselor.



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