



RS-1

OF ALABAMA

RETIREMENT SAVING MADE EASY

A 457(b) Deferred Compensation Plan



TOPICS TO BE COVERED

- Explanation of **RSA-1 Deferred Compensation Plan**
- Steps to opening an **RSA-1 account**
- Upcoming Changes for RSA-1:
 - Adding a Roth 457(b) Option
 - New Features for Member Online Services (MOS)



WHAT IS RSA-1 DEFERRED COMPENSATION?

- RSA-1 is a **voluntary** Governmental Defined Contribution Plan. The plan is based on Section 457(b) of the IRS and authorized by the Code of Alabama.
- The plan enables members to set aside a portion of your salary today to save for your retirement tomorrow.
- Currently, all RSA-1 contributions are not taxable for federal or state of Alabama income tax withholdings, which directly reduces the tax liability.



THE BENEFITS OF RSA-1

- RSA-1 has **No** fees of any kind!
- If eligible to purchase permissible service credit, members may use money in their **RSA-1 account** to purchase that service.
- Accepts transfers from other employer-sponsored 457(b) plans
- Currently accepts rollovers from the Partial Lump Sum Option Plan (PLOS) and Deferred Retirement Option Plan (DROP).



MAXIMUM 2024 CONTRIBUTIONS

Under Age 50

\$23,000.00

Age 50 or Over

\$30,500.00

Special Catch-up Provision*

Up to \$46,000 per year

*3 Years Prior to Normal Retirement Age (NRA)



OPENING YOUR RSA-1 ACCOUNT IS EASY!

Complete the following forms found in the back of the **RSA-1 Member Handbook** that is available today!

1. Plan Enrollment Form - mail to the RSA
2. Beneficiary Designation - mail to the RSA
3. Investment Option Election – mail to the RSA
4. Authorization to Defer Compensation - submit to payroll officer



AVAILABILITY OF RSA-1 FUNDS



- **Traditional 457(b) Plan (Pre-Tax)**

- Separation of service, *regardless of age*
- At age 70 ½, if still employed.
- Unforeseeable Emergency as defined by the U.S. Treasury
- Small balance distribution:
 - Have not contributed for 24 months
 - Balance of \$5,000 or less

CHANGES TO THE PLAN

- **Enrollment**

- Payroll Contributions will **not** be accepted if the member is not enrolled in the Plan.

- **Investment**

- Added Roth as an account type.
- Daily Net Asset Value (NAV)
- Contribution allocations can be changed daily.
- Fund reallocations can be changed monthly.

- **Rollovers**

- Now accepts rollovers from Thrift and Savings Plans (TSP) and 457(b) Designated Roth Plans.



CHANGES TO THE PLAN

- **Distributions**

- The amount requested can sometimes differ from the amount received.
- Added semiannual and quarterly to our distribution frequency options.
- Direct deposit can be used on all payment types except for outgoing transfers.
- Roth funds and pre-tax funds will be issued separately.
- Convert the RSA-1 account into a Roth 457(b).



IN PLAN ROTH CONVERSION

- Members may convert their existing RSA-1 (pre-tax) funds to RSA-1 (after-tax) Roth funds.
- Conversions are a taxable event and RSA-1 will issue a 1099R.
- Roth Conversions are irrevocable.



DIFFERENCES IN PRE-TAX & ROTH ACCOUNTS



Regular Contributions (Pre-Tax)

Roth Contributions (After-Tax)

Contributions:

Pay no income taxes on contributions. Taxes are deferred until withdrawn.

Income taxes are not deferred.

Withdrawals:

Pay taxes on contributions and interest upon separation from service.

Tax free withdrawals for qualified distributions.

Required Minimum Distributions:

Must begin a minimum distribution at age 73, unless still publicly employed.

No Required Minimum Distributions on a Roth account.



MEMBER ONLINE SERVICES

NEW FEATURES FOR RSA-1 MEMBERS

- **Online Processing:**

- Enroll online
- Contribution allocation changes
- Fund reallocation changes
- Update federal tax withholding
- Submit special catch-up requests
- Initiate and upload distribution requests and beneficiary changes
- Stop periodic distributions
- Check status of requests and view account details





Get more information on RSA-1
by visiting our website at:

www.rsa-al.gov

Phone: (877) 517-0020

Email: rsa1info@rsa-al.gov

Member Online Services (MOS)

Portal: mso.rsa-al.gov

