

Retirement Plan ABCs

Following are paragraphs of answers related to the CMH Retirement Plan, the Defined Contribution plans (403(b) and 401(k) plans), and the Roth IRA:

1. What are the main advantages of each plan?
2. Who is eligible to join?
3. When can I join?
4. When will I be vested?
5. Can I make changes to my level of contribution?
6. What is the minimum/maximum I can contribute each year?
7. What companies are available for my contributions?
8. Is my money guaranteed against loss?
9. When can I withdraw my money?
10. When can I begin a monthly payout without penalties?

	<u>Pension</u>	<u>403(b) or 401(k) Defined Contribution</u>	<u>Roth IRA</u>
1. What are the main advantages of each plan?	Employer money is being contributed & monthly pension can pay for decades	Pre-tax contributions taxed after retirement	Tax free withdrawals after retirement
2. Who is eligible?	Must work 1000+ hrs/year, be 21+ yrs old, and be here 1+ years	All employees	All employees (subject to income limitations set by the IRS)
3. When can I join?	By 1/1 or 7/1 after meeting eligibility	Anytime	Anytime
4. When will I be vested?	After 5 years of employment	Immediately	Immediately
5. Can I make changes to my level of contribution?	Employee contributions change automatically each March 1st.	Anytime	Anytime

	<u>Pension</u>	<u>Defined Contributions</u>	<u>Roth IRA</u>
6. What is the minimum & maximum I can contribute each year?	Contributions are done automatically... you can't alter	Any amount up to \$16,500 in 2009 Those 50+ years of service may contribute an extra \$5,500.	Any amount up to \$5,000 in 2009 Those over age 50 may contribute \$6,000.
7. What companies are available for my contributions?	Plan assets are managed by Oppenheimer Capital Corp	The Best of America Funds by Nationwide	Fidelity Funds
8. Is my money guaranteed against loss?	Yes, a Federal program protects your account under the PBGC	No	No
9. When can I withdraw my money?	Anytime (by dropping out of the plan) or at retirement	If you terminate employment or suffer a Severe financial hardship	Can withdraw your contributions anytime
10. When can I begin a monthly payout without suffering penalties?	Age 55 if you have 10+ yrs of service... otherwise, age 65	Anytime after age 59 ½ or age 55 and separated from service after attaining age 55.	Earnings Anytime after 59 ½ your own contributions can be withdrawn tax and penalty free at any time.