



**County
Commissioners
Association of Ohio**

Serving Ohio Counties Since 1880

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Dear Ohio DD employee:

We have developed this letter to address the impending changes for certain employees of Ohio's Developmental Disabilities. If you are affected by this change, please review the following information to assist you in your decision making:

Question: On January 1, 2019, certain employees of Ohio's Developmental Disabilities ("DD") will be privatized and will no longer be employees of DD. When this transition occurs, what will happen to the retirement plan accounts that these employees are currently contributing to?

Answer: Upon privatization, the employees will no longer be employees of the DD and therefore will not be eligible to continue to make contributions to the 457(b) deferred compensation plan that DD offers to its eligible employees. This scenario will be considered a "severance of employment" for purposes of the 457(b) plan.

We realize this can be a stressful time for you. We want to make sure that you understand you can leave your account balance in the plan and continue to receive the outstanding services you are accustomed to receiving. The Empower Retirement representatives are available to provide additional information about this option as well as to provide you with the necessary paperwork to complete a rollover or distribution. Once Empower Retirement receives a termination date from DD, the impacted participants will have the following options:

- Continue to keep their funds in the 457(b) plan. If a participant leaves his or her funds in the plan, the account will remain tax-deferred and the participant can continue to direct his or her investments. The participant cannot add new contributions to the plan (unless he or she later returns to employment in a position that is eligible for the plan).
- Rollover the 457(b) account to another eligible retirement plan or an IRA. If a participant chooses a direct rollover to another eligible retirement plan or IRA, it will not be a taxable event and the funds will continue to be tax-deferred in the new plan or IRA.
- Take a distribution from the 457(b) plan. If a participant takes a distribution, mandatory Federal tax withholding of 20% will apply. The participant may also choose to withhold additional Federal or state taxes. Empower Retirement will issue an IRS Form 1099-R for the year of the distribution.

We recognize that maneuvering through this change can be difficult and want you to know that your retirement representatives are available to assist you with any questions you may have.

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