



City of Belton - Human Resources

100 S. Davis

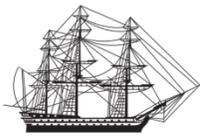
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Supplemental Retirement Options



Vanguard[®]

403 (b)



457 (b)

403(b) vs. 457(b): Which is better for you?

SAVING : INVESTING : PLANNING

"How do the plans differ?"

403(b)

It's easier to access the funds while you are with the employer.

457(b)

You're not subject to the 10% federal tax penalty for early withdrawal once you leave the employer.

Financial solutions

Let us help you prepare for a secure retirement

403(b)	457(b)
Less stringent withdrawal restrictions while you are employed, but a 10% early withdrawal federal tax penalty might apply.	More stringent withdrawal restrictions while you are employed, but no 10% early withdrawal federal tax penalty after separation from service [except in the case of rollovers from non-457(b) plans or from IRAs].
Generally withdrawals made prior to separation from service or the year you attain age 59½ can only be made due to financial hardship.	Generally withdrawals made prior to separation from service or the year in which you reach age 70½ can only be made for an unforeseeable emergency.
A financial hardship withdrawal is considered less restrictive — while you are employed — than a 457(b) unforeseeable emergency. Examples of financial hardship include: <ul style="list-style-type: none"> > Unreimbursed medical expenses > Payments to purchase a principal residence > Higher education expenses > Payments to prevent eviction or foreclosure of a mortgage. 	An unforeseeable emergency is more restrictive — while you are employed — than a 403(b) hardship. Some examples: <ul style="list-style-type: none"> > A sudden and unexpected illness or accident for you or a dependent > Loss of your property due to casualty > Other similar extraordinary circumstances arising as a result of events beyond your control. Sending a child to college or purchasing a home, two common reasons for 403(b) hardship withdrawals, generally are not considered unforeseeable emergencies.
Withdrawals can be subject to a 10% federal tax penalty prior to age 59½.	The 10% federal tax penalty, generally applicable to distributions prior to age 59½ from a 403(b) plan, does not apply to distributions from 457(b) plans except on amounts rolled into the plan from non-457(b) plans (including IRAs).

Please go to Vanguard.com or ICMARC.org for more information on both plans

What Can My Contributions Become?

Contribution (Per Pay Period)	Years to Retirements		
	10	20	30
\$10	\$3,758	\$11,320	\$26,532
\$25	\$9,396	\$28,299	\$66,329
\$50	\$18,792	\$56,598	\$132,659
\$75	\$28,188	\$84,897	\$198,988
\$100	\$37,583	\$113,196	\$265,317
\$150	\$56,375	\$169,794	\$397,976
\$200	\$75,167	\$226,392	\$530,635

Note: This table assumes a 7% annual return on investments based on the historical performance of the stock market. It is not a guarantee of future performance of any particular investment or the stock market as a whole. It is intended only for illustrative purposes.

Illustration of Investment Fees

Expense Ratio: A measure of what it costs an investment company to operate a mutual fund. An expense ratio is determined through an annual calculation, where a fund's operating expenses are divided by the average dollar value of its assets under management. Operating expenses are taken out of a fund's assets and lower the return to a fund's investors.

How does it affect my investments?: While you will never see an "Expense Ratio" charge on a personal statement, as the charge is directly to the mutual fund, it does reduce your annual return each year. Said another way, it is the % of your balance that goes to pay for the operation of the mutual fund each year, and you realize this expense through decreased returns on your investment.

Recordkeeping Fee: A flat fee charged to offset administrative expenses.

How does it affect my investments?: Each year, you will see \$15 per mutual fund deducted from your investment account.

Plan	403(b) - Vanguard	457(b) - ICMA
Fund	Target Retirement 2035 Fund (Inv)	VT Vantagepoint Milestone 2035 Fund
Type	Blended	Balanced
Record Keeping Fee	\$ 15.00	\$ -
Expense Ratio	0.18%	1.44%

Annual Cost based on investment balance:	403(b) - Vanguard	457(b) - ICMA
\$ 250	\$ 15.45	\$ 3.60
\$ 500	\$ 15.90	\$ 7.20
\$ 1,000	\$ 16.80	\$ 14.40
\$ 1,190	\$ 17.14	\$ 17.14
\$ 1,500	\$ 17.70	\$ 21.60
\$ 2,500	\$ 19.50	\$ 36.00
\$ 5,000	\$ 24.00	\$ 72.00
\$ 10,000	\$ 33.00	\$ 144.00
\$ 25,000	\$ 60.00	\$ 360.00
\$ 50,000	\$ 90.00	\$ 720.00

*Once an account reaches a balance of \$50,000, the record-keeping fee is waived.

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FAQ's



Vanguard[®]



Q: What are these plans?

A: The 457(b) plan through ICMA and 403(b) plan through Vanguard are retirement plans that employees may voluntarily contribute to in order to save for retirement. The primary benefit of them is that earnings contributed to these plans are tax deferred. In other words, you do not have to pay federal income tax on the amount of your paycheck which is contributed to these accounts. However, taxes are paid when money is withdrawn at retirement.

Q: I already have a 457(b) through ICMA, do I have to change plans?

A: No. The new 403(b) plan is simply another option for retirement savings in addition to the 457(b) plan through ICMA. The 457(b) plan through ICMA will continue in its current form unchanged.

Q: Can I invest in both plans?

A: Yes. You have the option to money to both the 403(b) and 457(b) plan.

Q: Can I move money between the two plans?

A: No. Once a contribution is made to one of the plans, those contributed funds cannot be transferred to the other. However, as noted above, you may make contributions to both plans.

Q: Do I have to wait until open enrollment to change my deferral?

A: No. You can change your deferred compensation election at any time under both plans.

Q: Is there a minimum to invest?

A: No. Neither of our deferred compensation plans requires a minimum investment or contributions.

Q: What are the contribution limits?

A: For each plan, the limit is \$18,000 annually; \$24,000 annually if the employee is 50 or over at the end of the calendar year. Employees may contribute up to the maximum in either or both of the plans if they choose. The total retirement contributions could be as high as \$36,000 or \$48,000 per year, depending on the employees age.

Q: How much should I contribute each paycheck?

A: The decision on how much to contribute is a personal one. We do encourage you to make efforts to contribute something as retirement savings is an important part of securing your financial future. See the "What can my contributions become" page for more information on the potential for your money to grow in retirement savings.

Q: When can I withdraw my money from each plan?

A: See "403(b) vs. 457(b): Which is better for you?" for a summary of the withdrawal restrictions.

Q: Are the fees different under each plan?

A: Yes. In fact, fees can vary among the individual funds within each plan. See the "Illustration of investment fees" for more information.

Please go to Vanguard.com or ICMARC.org for more information on both plans

Market Risk & Return

Choosing Your Investment Mix

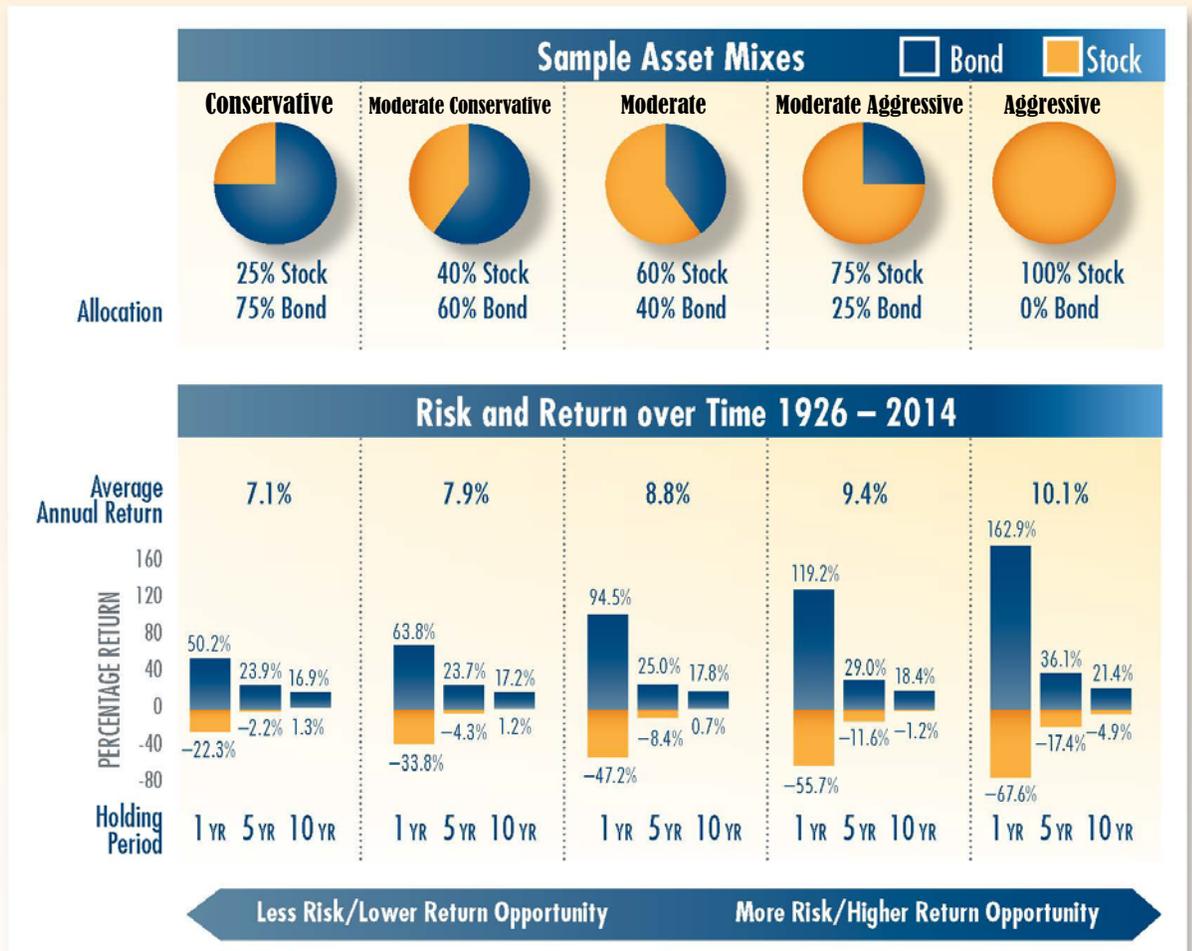
The chart below shows the historical risk and reward for different portfolios of stocks and bonds. It includes their average annual return and volatility over rolling one, five and ten-year periods (for example, 10-year periods run from 1926 to 1935, 1927 to 1936, and so on).

Portfolios with higher portions of stocks have historically outperformed but with much greater volatility and risk of losses, particularly over shorter time periods.

Average Annual Returns and Range of Returns (1926–2014)

Source: Morningstar Direct

Performance figures were calculated using historical returns of the Standard & Poor's 500 Index and U.S. Long-Term Government Bonds. The past performance shown is no guarantee of future results.



So what is *your* ideal long-term investment mix? To start, consider choosing a mix of different investments, including different types of stocks and bonds. The ideal mix is the one most likely to meet your investment goals over time with a level of risk that you can tolerate.

To learn more, contact your ICMA-RC representative or visit www.icmarc.org/invest.

► I Want to Invest Based on the Year I Want to Retire

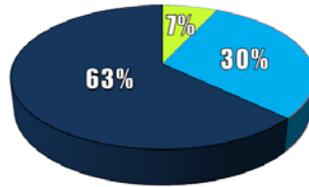
Milestone Funds⁴

- Provide access to different assets, such as stocks and bonds, within just one fund.
- Designed to gradually reduce risk over time, as you near and transition into retirement.
- Investment professionals regularly maintain the investment mix, consistent with each Fund's objective.

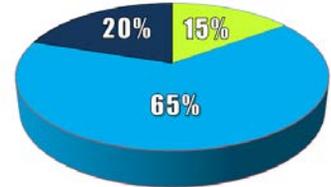
Note: the Milestone Funds are not customized for your specific risk tolerance.

Milestone Funds are available to 401 and 457 plan investors through the VT Vantagepoint Milestone Funds¹ and to IRA and RHS plan investors through the Vantagepoint Milestone Funds.³

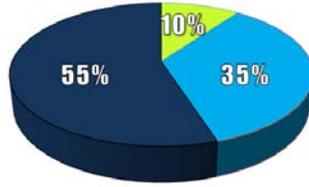
MILESTONE RETIREMENT INCOME FUND



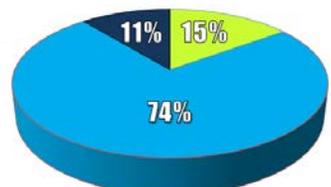
MILESTONE 2030 FUND



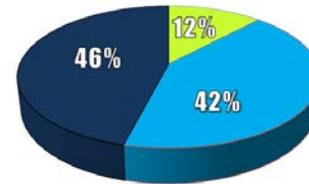
MILESTONE 2010 FUND



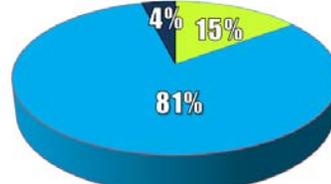
MILESTONE 2035 FUND



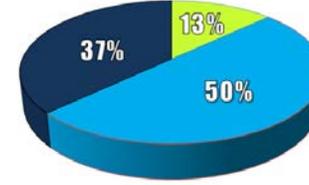
MILESTONE 2015 FUND



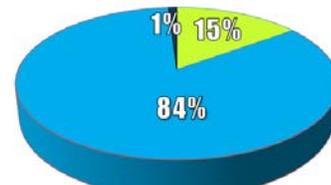
MILESTONE 2040 FUND



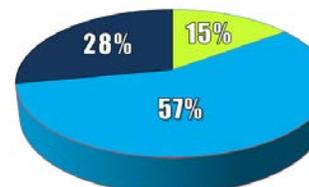
MILESTONE 2020 FUND



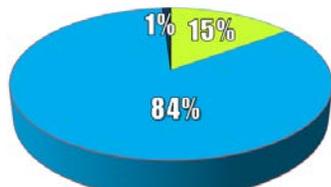
MILESTONE 2045 FUND



MILESTONE 2025 FUND



MILESTONE 2050 FUND

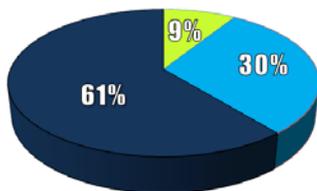


■ Equity ■ Fixed Income ■ Multi-Strategy

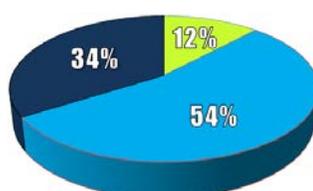
Not all retirement plans administered by ICMA-RC will make available each investment option.

Representative asset allocations as of the Vantagepoint Funds Prospectus dated May 1, 2015.

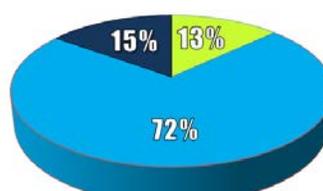
Conservative Growth



Traditional Growth



Long-Term Growth



All-Equity Growth





Vanguard 403(b)(7) accounts—easy, low-cost ways for you to save for retirement

Invest for your future in our Vanguard 403(b) program. We offer a wide range of at-cost funds and easy account management to help you reach your retirement goals.

Get started today

See how easy it is to invest with Vanguard. Call our associates at 800-662-2739.

Key benefits of 403(b) plans

A 403(b) plan offers flexibility, generous contribution limits, and a broad range of investment choices, making your employer's 403(b) plan a great place to start saving for your retirement.

Automatic contributions

Pay yourself first every pay day with contributions directly from your paycheck. You won't be tempted to spend the money on something else. Your maximum contribution can't exceed the lesser of:

- 100 percent of your compensation, or:
- \$18,000 for the 2015 tax year (\$24,000 for employees age 50 or older).

Pre-tax contributions

Your contributions to the plan are made on a pre-tax basis, so your money starts working for you before the government can tax it. (Note: Vanguard does not currently offer an after-tax or Roth 403(b) option in our program.)

Tax-deferred growth

Your contributions and earnings from investments grow tax-free until you start making withdrawals—usually after many years and possibly when you're in a lower tax bracket.*

Personal control

Choose from a variety of investment options and save as much as you can, up to the IRS and plan limits. And if you change jobs, you usually can choose to leave your money in your current plan, or move it to an IRA or a new employer's plan.

Employer contributions

Check to see if your employer makes contributions to your 403(b) plan. In some cases, they may match some percentage of your contributions. Essentially, it's free money—don't pass it up.

All investments are subject to risk.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Why choose Vanguard mutual funds

Costs matter

High costs and fees cut directly into your investment returns. That's why it's important to know the costs of the investment options in your employer's plan. Over time, lower costs can help increase your chances of reaching your retirement goals.

At-cost investing

You keep more of your money when you invest with Vanguard because we manage our funds at cost—it costs you what it costs us to run them. On average, Vanguard mutual fund expense ratios are 82% less than the industry average.** And if you're considering a high-priced annuity product, the difference could be even greater.

A different kind of company

Our unique client-owned structure means that our only loyalty is to clients like you. We're owned by our funds, which are owned by our clients, so we have only your long-term interests in mind. Our reputation for integrity and investor focus is well known and respected.

[Learn more about our way of investing »](#)

Highlights of the Vanguard 403(b) program

- A dedicated support center that offers unbiased assistance from 403(b) specialists who don't work on commission.
- A broad lineup of index and actively managed funds, as well as Target Retirement Funds—which can be a one-fund investing approach. [Learn more about the benefits of mutual funds »](#)
- No sales charges or commissions on contributions and no hidden transaction fees.†
- Generally, no minimum initial investment.
- 24-hour account management on Vanguard.com, where you can view account balances, perform transactions, use planning tools, and more.

A STAMPEDE OF BARGAIN HUNTERS

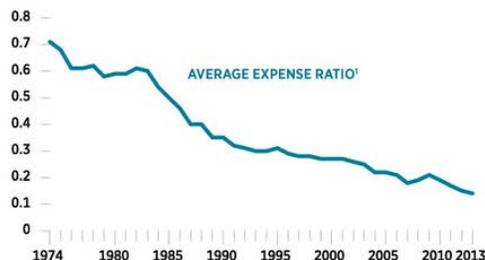
FUND ASSETS AT VANGUARD HAVE CLIMBED 400-FOLD BEYOND INFLATION SINCE JOHN BOGLE'S FIRST YEAR.



U.S. DOMICILED FUNDS, IN BILLIONS OF CONSTANT 2014 DOLLARS; INCLUDES ETF SHARE CLASS. SOURCES: VANGUARD GROUP; BUREAU OF LABOR STATISTICS.

... ARE ENJOYING ECONOMIES OF SCALE

VANGUARD'S EXPENSE BURDEN TODAY IS A FIFTH OF THE LEVEL IT INHERITED IN 1974.



ASSET WEIGHTED AVERAGE. 1974 NUMBER IS FOR WELLINGTON FUNDS PRE-VANGUARD. SOURCES: WIESENBERGER; LIPPER; VANGUARD.