



## **City of Venice 401(a) Retirement Plan (Non-Bargaining Employees Only)**

### **What is a 401(a) Plan?**

A 401(a) Money Purchase Plan is a retirement savings account plan that allows you to set aside money for retirement. Federal income taxes are deferred until your assets are withdrawn, usually during retirement when you may be in a lower tax bracket. The ICMA-RC Plan has been adopted by the City of Venice so that non-bargaining employees, who terminate, retire or resign from City employment may have their accrued leave balances placed in a tax saving plan governed by Section 401(a) of the Internal Revenue Code. It is mandatory for all non-bargaining permanent employees to participate.

There is no need for employees to do anything until they end employment or near retirement.

### **What are the benefits of a 401(a) Plan?**

Employees whose leave balances are put into the Plan receive the following benefits:

- You have the flexibility to consolidate your savings in another public sector employer's 401 plan, a tax-sheltered 403(b) annuity plan, a 457 plan, or a Traditional IRA if you change employers.
- Pre-tax contributions are not subject to federal income taxes until withdrawn.
- Federal income tax, Social Security and Medicare taxes on the amount placed in your 401(a) account are deferred until the funds are withdrawn, usually at retirement.
- There is a wide range of investment options including a competitive fixed interest rate.
- Loan provisions allow borrowing on the account balance.
- A 401(a) plan does not affect your 457 Deferred Compensation plan or the amounts you can contribute to it.
- You can control your account.
- You can increase, decrease, stop and restart contributions as often as you wish without fees or penalties (subject to your employer's approval).

For information and questions on the Plan, employees may contact our ICMA-RC representatives Gabe Alba, Retirement Plans Specialist, at (941) 496-9157, Option 4; or Fernando deGüero, Vice President, Southeast Region, at (866) 822-3634; or Mary Ann Ellis, Benefits Coordinator, at 486-2626, ext. 21004.