



# **Town of Natick**

## **457b Deferred Compensation Plan**

### **Plan Highlights**

**Introduction:** The Town of Natick is pleased to offer a 457b Deferred Compensation plan to eligible town employees who desire an additional way to save for retirement. Plan oversight will be provided by Atlas Financial Group, LLC represented by John R. Heise a Certified Financial Planner™. In addition, recordkeeping and third party administration will be provided by (NRS) Northeast Retirement Services, Inc.

Below you will find important information about the features and advantages of the Town of Natick 457b Deferred Compensation Plan that you have the ability to participate in.

**Eligibility:** All full time and/or benefits eligible Town employees are eligible to contribute to the 457b plan.

**Entry Date:** Employees are eligible to enroll in the plan immediately upon commencing employment with the Town of Natick. Participants may enroll at any time. In addition, they may discontinue participation at any time without restriction.

**Contribution Amounts:** Employees may contribute up to 100% of your income up to \$18,500 (in 2018). You may be able to contribute an additional “catch-up” \$6,000 (in 2018) if you are age 50 or older. You also may be able to contribute an additional amount in the final years of your employment as a special service catch-up (please speak with a plan representative to determine if this would apply).

**Contribution Types:** Traditional (Pre-tax) or ROTH (post tax) contributions are allowed into the Town of Natick 457b Deferred Compensation. Plan provisions have been modified to provide you with the ability to contribute on an after tax (ROTH) basis whereby your contributions and earnings would grow “Tax Free” and once withdrawn would exit “Tax Free”. Participants may elect to contribute 100% of contributions via pre-tax or ROTH or a portion of their respective deferrals in both options.

**Vesting:** All contributions are immediately 100% vested

**Investments:** The Town of Natick has an investment committee who with recommendations from Atlas Financial Group, LLC has developed a robust line-up of investment options providing options for all risk profiles. Atlas Financial Group, LLC utilizes the investment research of world renowned Morningstar Associates to analyze, compare, contrast, and recommend mutual funds in many assets classes. These funds are vetted against their peers and a decision is made to add, change, or delete a fund from the Town of Natick 457b Deferred Compensation line-up.

### Current Investment Line-up (Core Investments):

- |                          |   |
|--------------------------|---|
| • Emerging Markets       | Oppenheimer Developing Markets A              |
| • International          | American Fund Europacific Growth Fund (R4)    |
| • International          | Oppenheimer International Growth A            |
| • World Stock            | Hartford Global Capital Appreciation R4       |
| • Small Cap Growth       | American Fund Small Cap World (R4)            |
| • Small Cap Value        | Goldman Sacs Small Cap Value (R)              |
| • Mid Cap Value          | JHancock3 Disciplined Value Mid Cap A         |
| • Large Cap Growth       | American Funds Growth Fund of America (R4)    |
| • Large Cap Core         | DWS S&P 500 Plus (R)                          |
| • Large Cap Value        | American Funds Washington Mutual Investors R4 |
| • Balanced               | American Fund American Balanced R4            |
| • High Yield Bond        | JHancock3 Core High Yield A                   |
| • Intermediate Bond      | JHancock Bond A                               |
| • Short Bond             | Lord Abbett Short Duration Income A           |
| • Cash/Stable Value Fund | Reliance Trust Metlife Stable Value Fund      |

### Specialty Funds:

- |                                |  |
|--------------------------------|--|
| • Technology                   | MFS Technology R3                        |
| • Real Estate                  | Nuveen Real Estate A                     |
| • Health Sciences              | Hartford Healthcare R4                   |
| • Natural Resources            | Oppenheimer Steelpath MLP Select 40 A    |
| • Alternative Asset Allocation | JHancock2 Alternative Asset Allocation A |

### Lifestyle Portfolios:

These portfolios are comprised of the individual mutual funds offered in the Town of Natick 457b Deferred Compensation plan and are arranged in asset allocation models covering most risk profiles. With a single election one can have broad based diversification among the various asset classes. As well, these portfolios are rebalanced every quarter to ensure they are always holding the correct weight in their respective investment positions.

- Lifestyle Aggressive Portfolio
- Lifestyle Growth & Income Portfolio
- Lifestyle Balanced Portfolio
- Lifestyle Conservative Portfolio
- Lifestyle Capital Preservation Portfolio

### Target Retirement Date Investments:

- American Funds Target Retirement 2010 R4
- American Funds Target Retirement 2015 R4
- American Funds Target Retirement 2020 R4
- American Funds Target Retirement 2025 R4
- American Funds Target Retirement 2030 R4
- American Funds Target Retirement 2035 R4
- American Funds Target Retirement 2040 R4
- American Funds Target Retirement 2045 R4
- American Funds Target Retirement 2050 R4
- American Funds Target Retirement 2055 R4

### **Withdrawal Options:**

- **Lump Sum** (may be subject to a 10% penalty if under age 59 ½ and will be taxable unless withdrawing from a ROTH account.)
- **IRA Rollover**- Tax/penalty free rollover to an eligible IRA (Individual Retirement Account)
- **Qualified Plan Rollover**- Tax/penalty free rollover to an eligible employer sponsored retirement plan (check with plan sponsor to ensure they will accept rollover funds)
- **Hardship withdrawal**: You may take a withdrawal for financial hardships. (contact plan representatives to determine provisions of hardship withdrawals)
- **Loans**- Plan participants may take loans against their accounts up to 50% of account balance up to a maximum of \$50,000, maximum repayment of loan is 5 years, only one loan outstanding at any given time, loans accrue at interest which is the Prime Rate as determined by the WSJ (Wall Street Journal) and remains fixed over the life of the loan. Any and all interest accrued under the loans is credited back to your investment account. One time processing fee of \$125 for loan setup.

**Costs:** All investments are institutional retirement share classes with no upfront or back end sales fees. In addition the Town of Natick 457b Deferred Compensation plan does not have an annual contract charge. The only costs associated with the plan are the respective expense ratios of the mutual funds, a custody charge of .06bps, a distribution charge of \$75 (only applicable upon participant plan withdrawal), and a loan charge (only applicable to participants who decide to take a loan). This plan is designed to be very inexpensive for plan participants in order to maximize returns.



**John R Heise, CFP®, CLU™, ChFC™, CLTC™, AIF®**  
**Managing Member/Owner**  
**Atlas Financial Group, LLC**  
**53 Goffstown Rd. Suite B**  
**Manchester, NH 03102**  
**1-844-637-4015 Toll Free**  
**1-603-581-7125 Office**  
**1-603-661-3069 Cell**  
**1-603-737-0319 Fax**

[jheise@afgplanning.com](mailto:jheise@afgplanning.com)

<https://www.afgplanning.com>

Please refer to the Plan Document for more information on the plan.  
In the event of a discrepancy, the Plan Document will prevail