

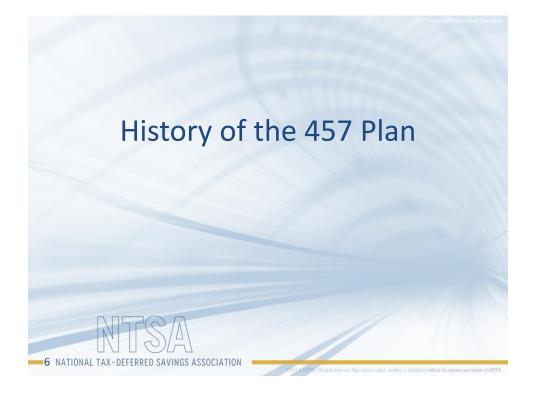


Who is Security Benefit?

- 122-Year-Old Kansas-based retirement services company
- Historically strong in education, governmental and not-for profit sector
 - 457(b) Gov't and Tax Exempt
 - 403(b) and 403(b)(7)
 - 401(a)

- ➤ Servicing 457 plans since 1986
- Close to thirty years of experience

5 NATIONAL TAX-DEFERRED SAVINGS ASSOCIATION



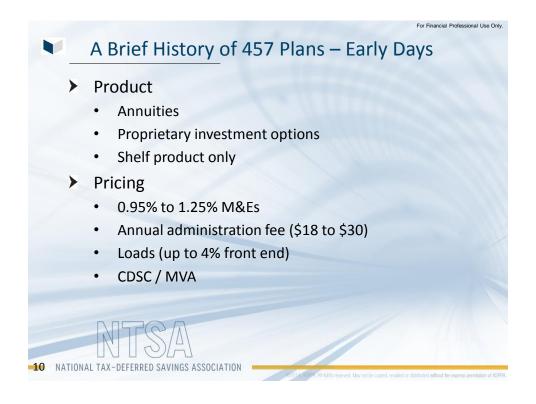
A Brief History of 457 Plans

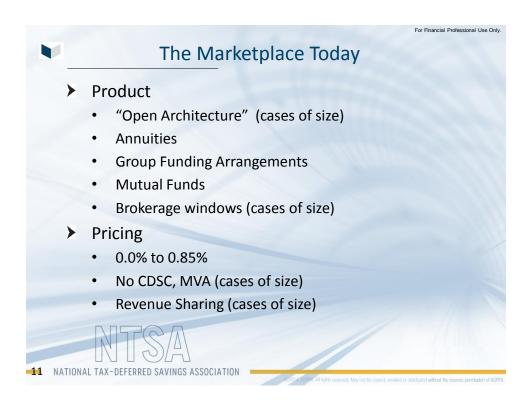
- ▶ 1973 City of Lompoc, CA offers first deferred comp plan
 - · Plans spread by virtue of Private Letter Ruling
- ▶ 1979 IRS Code Section 457 effective January 1st, 1979
- 2001 Economic Growth and Tax Relief Reconciliation Act (EGTRRA) makes a number of changes to 457
- ➤ 2002 Final Regulations effective January 1st
- > 2011 457 Roth becomes available

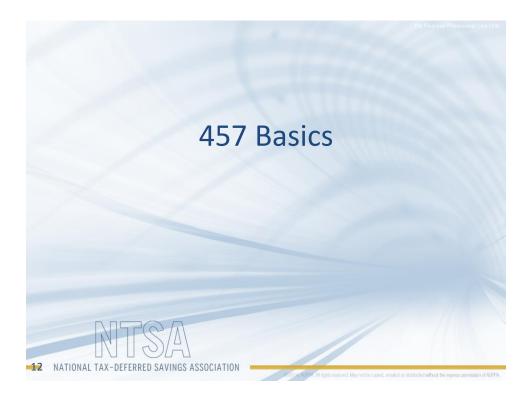
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The Marketplace Governmental States Counties Cities Special Districts School Districts K12 Charter Schools Higher Education

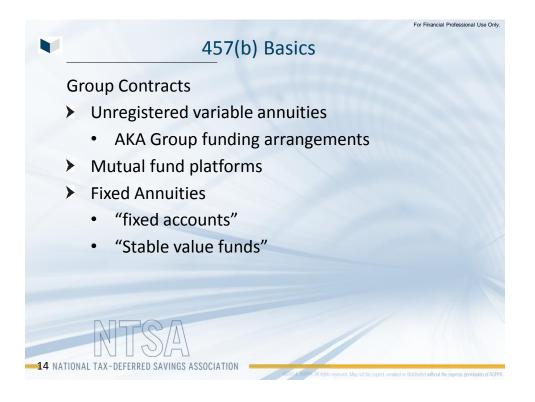








457(b) Basics
 Available to governmental and public school district organizations
 Participants may defer up to \$18,000 or 100% of salary in 2015 through payroll reduction, Roth is available
 Age 50+ catch-up: additional \$6,000 in 2015, Roth is available
 Taxes deferred until assets withdrawn (at termination of employment or later date)
 Distributions taxed as ordinary income to recipient, unless Roth



457(b) Basics

Participants may withdraw funds under any of the following scenarios:

- Severance from employment (at any age)
- Retirement

- Unforeseeable financial emergency distribution
- Loan provision (if available in your plan)

Distributions from a 457 Plan are never subject to IRS 10% early withdrawal penalty tax

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457(b): Three Key Advantages

- 1. Distributions from a 457 Plan are never subject to IRS 10% early withdrawal penalty tax.
- No offset: an employee may contribute to both a 457(b) and a 403(b) plan (\$36,000 combined max, \$48,000 with Age 50+ catch up).
- 3. Unlike 403(b) plans, 457(b) plans have no universal availability requirements, making them easier to administer.

457(b) Tax Exempt Plans

Uncommon plan type

- Non-governmental taxexempt, non-profits
- Limited to groups of highly compensated employees or groups of executives, managers, directors or officers
- Not allowed to cover rankand-file employees



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457(f) Plans

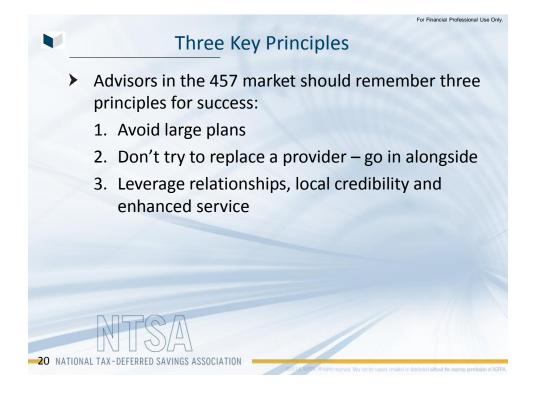
- Uncommon plan type
- Governmental and Non-Church non-profit organizations
- Designed for key Managers

"An eligible employer is a state, political subdivision of a state, and any agency or instrumentality of a state or political subdivision of a state or a nonchurch tax-exempt organization. Such organizations can establish 457(f) (ineligible) plans that are tax deferred and that allow contributions exceeding the annual deferral limit. These plans and the associated deferrals are possible only if there is a "substantial risk of forfeiture" – when the risk has been removed, the participant's deferral amounts become taxable."

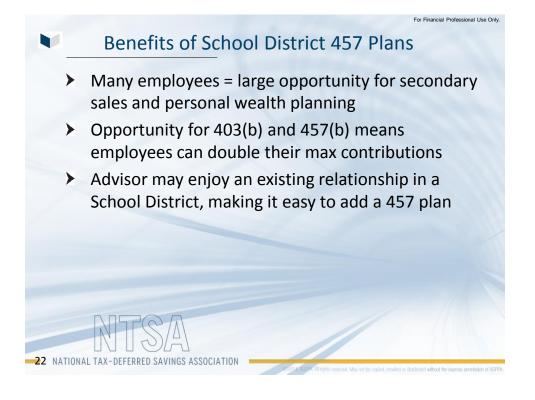
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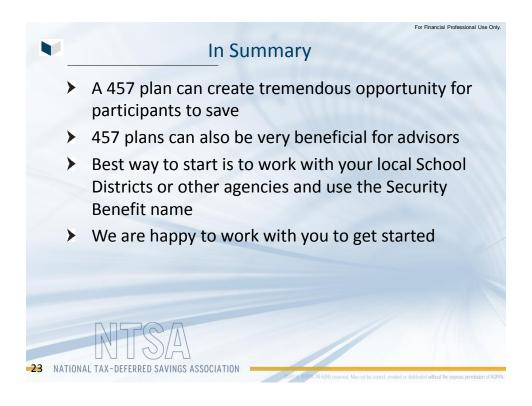
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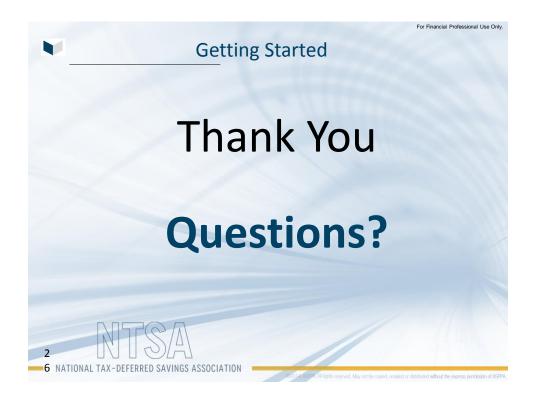




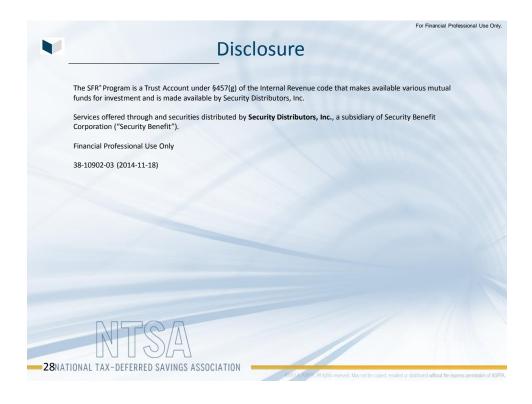












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About Security Benefit Security Benefit has become one of the fastest-growing companies in the U.S. retirement market Through a combination of innovative products, exceptional investment management and a unique

distribution strategy, Security Benefit has become a leader in a full range of retirement markets and



wealth segments.