

# CALIFORNIA 457 BENEFITS

Plan Administration & Investment Advice

## Deferred Compensation Plan Participation Application

City of Costa Mesa, CA

27201 Puerta Real, Suite 465 | Mission Viejo, CA 92691 | 800-770-0457 | Fax: 949-367-1887 | [nick@walkerfinancial.com](mailto:nick@walkerfinancial.com) | [Drop Box Secure Upload](#)

- Initial Enrollment       Change in Deferral Amount       Re-Enrollment       Investment Change  
 Change of Address       Beneficiary Change       Name Change       Catch-up Provision

### Section 1: Participant Information

Name \_\_\_\_\_  
 Last \_\_\_\_\_ First \_\_\_\_\_ M.I. \_\_\_\_\_  
 Address \_\_\_\_\_  
 Number \_\_\_\_\_ Street or PO Box \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Date of Hire \_\_\_\_\_ Department \_\_\_\_\_  
 Employee Payroll ID# \_\_\_\_\_  
 Social Security \_\_\_\_\_  
 Date of Birth \_\_\_\_\_  
 Work Phone \_\_\_\_\_  
 Mobile Phone \_\_\_\_\_  
 Email \_\_\_\_\_

### Section 2: Participant Elections

I wish to contribute \$ \_\_\_\_\_ per biweekly pay period, beginning on payroll # 26 - \_\_\_\_\_

Catch-up:  Age 50 and over, up to \$32,500/year, or  Special 3-year with projected retirement date: \_\_\_\_/\_\_\_\_/\_\_\_\_, up to \$49,000/year

### Section 3: Select Your Investments:

I am an existing participant and I wish to maintain my current contribution elections.

You may elect to invest in the following LifeStyle Model Allocation Portfolios professionally designed and maintained by California 457 Benefits:

- CA 457 Conservative [ ] Least Aggressive  
 CA 457 Moderate Conservative [ ]  
 CA 457 Balanced Allocation [ ]  
 CA 457 Moderate Growth Allocation [ ]  
 CA 457 Growth Allocation [ ]  
 CA 457 Maximum Growth Allocation [ ] Most Aggressive

Alternatively, you may select your own investments by entering an amount from 1% to 100%. Any percentage remaining will automatically be allocated to the Schwab U.S. Treasury Money Fund.

#### U.S. Focused Stock Mutual Funds

- Allspring Special Mid Cap Value \_\_\_\_\_ %  
 Brandes Small Cap Value \_\_\_\_\_ %  
 Janus Venture T \_\_\_\_\_ %  
 J.P. Morgan US Equity Fund R6 \_\_\_\_\_ %  
 T. Rowe Price Diversified Mid Cap Growth \_\_\_\_\_ %  
 T. Rowe Price All-Cap Opportunities \_\_\_\_\_ %  
 T. Rowe Price Value I Class \_\_\_\_\_ %  
 Vanguard 500 Index Admiral \_\_\_\_\_ %  
 Vanguard FTSE Social Index Admiral \_\_\_\_\_ %  
 Vanguard Mid Cap Index Admiral \_\_\_\_\_ %  
 Vanguard Small Cap Index Admiral \_\_\_\_\_ %  
**Sector Focused Stock Mutual Funds**  
 T. Rowe Price Health Sciences \_\_\_\_\_ %  
 T. Rowe Price New Era \_\_\_\_\_ %  
 Vanguard REIT Index Admiral \_\_\_\_\_ %

#### International Stock Mutual Funds

- American Funds EUPAC R6 \_\_\_\_\_ %  
 Dodge & Cox Global Stock \_\_\_\_\_ %  
 Vanguard Total International Stock Index Admiral \_\_\_\_\_ %

#### Emerging Market Stock Mutual Funds

- American Funds New World R6 \_\_\_\_\_ %

#### Fixed Income Mutual Funds

- Dodge & Cox Income Fund X \_\_\_\_\_ %  
 PIMCO Real Return Bond Institutional \_\_\_\_\_ %  
 Vanguard GNMA Bond Fund Admiral \_\_\_\_\_ %  
 Vanguard High Yield Corporate Bond Admiral \_\_\_\_\_ %  
 Vanguard Short-Term Investment Grade Admiral \_\_\_\_\_ %

#### Money Market Funds

- Schwab U.S. Treasury Money Fund \_\_\_\_\_ %

**Total:** \_\_\_\_\_ %

### Section 4: Designation of Beneficiary

I hereby designate the following beneficiary(ies) (If you wish to designate more, attach signed instructions.)

#### Primary Beneficiary(ies)

1. Share % \_\_\_\_\_  
 Beneficiary SS# \_\_\_\_\_ Date of Birth \_\_\_\_\_  
 Name \_\_\_\_\_ Relationship \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

2. Share % \_\_\_\_\_  
 Beneficiary SS# \_\_\_\_\_ Date of Birth \_\_\_\_\_  
 Name \_\_\_\_\_ Relationship \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

If you are currently married and have named **any** primary beneficiary other than your spouse, the following consent must be signed by your spouse and witnessed by a plan representative or a notary public: I hereby consent to waive my spousal inheritance rights and agree to the primary beneficiary designation(s) indicated on this form:

Full Name of Spouse \_\_\_\_\_ Signature of Participant's Spouse \_\_\_\_\_ Date \_\_\_\_\_  
 This instrument was signed before me on \_\_\_\_\_, \_\_\_\_\_, CA 457 Plan Representative or Notary Public (attach certificate form & seal)

#### Contingent Beneficiary(ies) If no primary beneficiary survives me, I designate the balance of my account assets be distributed to the following:

1. Share % \_\_\_\_\_  
 Beneficiary SS# \_\_\_\_\_ Date of Birth \_\_\_\_\_  
 Name \_\_\_\_\_ Relationship \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

2. Share % \_\_\_\_\_  
 Beneficiary SS# \_\_\_\_\_ Date of Birth \_\_\_\_\_  
 Name \_\_\_\_\_ Relationship \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

I elect to participate in the Employer's 457(b) Deferred Compensation Plan and I authorize my employer to reduce my salary by the above amount for credit to my California 457 Benefits deferred compensation account. I have read and understand each of these statements on the front and back of this form, which are intended to comply with section 457 of the Internal Revenue Code. THIS APPLICATION SUPERSEDES ALL PREVIOUS REQUESTS.

Participating Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

Authorized Signature/Employer \_\_\_\_\_

CA 457 Representative Signature \_\_\_\_\_ Date \_\_\_\_\_

## DEFERRED COMPENSATION PLAN MEMORANDUM OF UNDERSTANDING

By signing the participation agreement on the reverse side of this memorandum, the participant agrees to the following:

I understand California 457 Benefits (CA 457) serves as Third-Party Administrator and Investment Advisor to the City of Costa Mesa Deferred Compensation Plan for Public Employees Section 457(b) Governmental & Trust (the "Plan") and can be reached at 800-770-0457. Additional information about CA 457 can be accessed online at [www.ca457.com](http://www.ca457.com). The Charles Schwab Bank, a subsidiary of Charles Schwab Corporation, provides custody and brokerage services for the Plan. Record keeping and internet access services are performed by Spectrum Pension Consultants, Inc. of Tacoma, WA. Spectrum Pension Consultants may be reached at 800-634-3411 and accessed online with a valid username and password at <https://www.retirementlogin.com/spectrum/>.

I understand that my participation in the Plan is voluntary and governed by the terms and conditions of the Plan Document and Section 457(b) of the Internal Revenue Code. A copy of the Plan Document, all of which provide additional details regarding the terms of the Plan, can be obtained by contacting CA 457.

I understand all amounts deferred into the Plan and earnings on the amounts deferred are held in a trust for the exclusive benefit of the Plan participants and their beneficiaries until such time as the deferred amount is made available to the participant or beneficiary.

I have been provided access to and understand the terms of the applicable mutual fund prospectus(es). It is the participant's responsibility to determine which investment options are best. I understand there is no assurance that the objective of any mutual fund will be obtained. Mutual fund prospectuses may be accessed on <https://ca457.com/investment-options> or by contacting CA 457.

I understand that none of the investment options offered are federally insured or guaranteed against the risk of loss. I understand that neither my employer, the plan administrator, nor CA 457 is liable for (1) the losses I may incur due to fluctuations in value of the investment options that I have selected or (2) the financial insolvency of the providers of those options.

I agree to hold my employer, the Plan, the Plan Administrator and CA 457 harmless from liability for execution of transactions in accordance with instructions transmitted by telephone or the Internet, when using my username and password. This includes transactions that cannot be executed due to market trading suspensions, early market closings, funds suspending telephone trading privileges, or any other market circumstances beyond the control of the Plan, the Plan Administrator or CA 457.

The 2026 annual federal deferral limit to all Section 457 plans is the lesser of \$24,500 or 100% of includible compensation. Additional amounts above the limit may be deferred into the Plan if (1) the participant attains age 50 or older during the calendar year, or (2) the participant is within three years of Normal Retirement Age, as defined by the Plan Document, and did not defer the maximum amount in prior years. These limits may adjust for inflation in future years. I understand deferrals in excess of maximum amounts are not permitted and will be considered taxable income when refunded.

I understand that full-time employee participants may request a loan which must be repaid over a period of no more than five years. Eligible participants must have an account balance of at least \$2,000. The maximum loan amount that may be obtained is the lesser of: (1) One-half of the account value reduced by the highest outstanding loan balance during the 1-year period ending on the day before the date on which such loan is going to be made; or (2) \$50,000 reduced by the highest outstanding loan balance during the 1-year period ending on the day before the date on which such loan is going to be made. Failure to repay the loan in a timely manner may result in adverse tax consequences. Additional information about loans may be found on [www.ca457.com](http://www.ca457.com) under the Participant Forms tab or by contacting CA 457 directly.

I understand that I may request a distribution of funds from the Plan only (1) upon separation from service; (2) upon an unforeseeable emergency approved by the Plan Administrator in accordance with Internal Revenue Code guidelines; or (3) I may take a one-time, in-service "de minimus" withdrawal if my account value is \$5,000 or less and I have not deferred into the plan for at least 24 months. I understand distributions are exempt from early withdrawal penalties, but are taxable as ordinary income and subject to income tax in the year received.

I understand distributions must begin no later than April 1st following the year I reach age 73. If I work beyond age 73, my distributions must begin no later than April 1st following the year I separate from service or retire. My distributions must be made in a manner that satisfies the minimum distribution requirements of IRC Sec. 401(a)(9), which currently requires benefits to be paid at least annually over a period not to extend beyond my life expectancy. Failure to meet minimum distribution requirements will result in substantial federal and state income tax penalties.

Due to important tax consequences related to distributions, I understand that I should consult a tax advisor. I expressly assume the responsibility for tax consequences relating to any distribution, and I agree that neither CA 457, the Plan, nor the Plan Administrator shall be responsible for those tax consequences.

I understand the funds in my account are eligible for tax-free rollover to a traditional IRA or to an eligible retirement plan upon separation from service.

I understand it is my responsibility to report any changes to CA 457 that have occurred and affect my account (e.g. address or change in employment) and to update my beneficiary information as appropriate.

I understand CA 457 deducts a quarterly service fee from participant accounts in an amount equivalent to 0.34% annually. Therefore, CA 457 bills participant quarter-end account balances at a rate of 0.085% (0.34% divided by 4).

I understand that some mutual funds offered in the Plan provide expense reimbursements as indicated in the current quarterly investment performance report that may be accessed on <https://ca457.com/investment-options>. Reimbursements are only credited to participant accounts that have an active investment in mutual funds that offer reimbursements. Thus, depending on the rate of mutual fund expense reimbursements, a participant's CA 457 fee may be offset in full, partially, or not at all. Please note: CA 457 does not receive compensation directly or indirectly from these reimbursements and does not make recommendations based on expense reimbursements.

I understand that since April 1, 2015, the City of Costa Mesa has contracted Benefits Funding Services Group (BFSG), an unrelated third-party consultant, to advise Plan administrators and deferred compensation committee members on various aspects of the Plan. The City directs CA 457 to invoice participant accounts at an annual rate of approximately 0.04% to compensate BFSG and is not included in CA 457's service fee.

I have read and understood, and I agree to the terms and conditions stated and recognize that they may change in the future.