

Optimize Your Tax Savings – Enroll in the Deferred Compensation Program

Securing a comfortable retirement involves balancing the three key components of "The 3-Legged Stool": Pension, Social Security, and personal savings. As a dedicated employee of SLO County, you're already solidifying two legs of your retirement income – your Defined Benefit Pension and Social Security benefits. To fortify the third leg, your personal savings, consider leveraging tax-efficient strategies, such as enrolling in the SLO County Deferred Compensation Plan.

What Is a 457(b) Plan?

A 457(b) plan is a tax-advantaged retirement savings option available to the employees of SLO County and other local agencies. Contributions are made through payroll deductions, and you can choose between traditional pre-tax contributions or after-tax Roth contributions. Both options provide incredible flexibility and benefits, making the 457(b) an essential supplement to your pension and Social Security.

Strategic Investments: Nationwide serves as the DC Plan Provider, managing the deferred-pay contributions. Participants have the flexibility to direct investments into mutual funds or opt for a low-risk fixed account. The level of investment risk is entirely at your discretion.

Contribution Limits: The IRS sets annual contribution limits, with the 2025 figures as follows:

Participant age	Total allowable annual contribution amount	Standard DC contribution amount	Allowable catch-up contribution amount
Age 50 up to 59 through all of 2025	\$31,000	\$23,500	\$7,500
Ages 60, 61, 62, 63 at any point in 2025	\$34,750	\$23,500	\$11,250 (150% of \$7,500)
Age 64 or older at any point in 2025	\$31,000	\$23,500	\$7,500

Special Catch-up contribution limits may apply in the final years of your career – inquire with Nationwide for eligibility details.

Maximizing Contributions: While not everyone contributes the maximum amounts, your unique circumstances (e.g., additional income sources) might allow you to save more than expected. Explore possibilities to optimize your contributions.

Smart Retirement Timing: Consider the "December 31st Retirement Date / Final Paycheck" strategy. If you anticipate significant payouts for accrued vacation and sick leave upon retirement, retiring at year-end might enable you to defer these amounts into the DC Plan. Coordinate with Payroll to understand the deferral limits.

More Information: For further details on DC Plan participation or to enroll, contact Loren Farfan at Nationwide 818) 642-8191 or (877) 677-3678 or visit [San Luis Obispo County Deferred Compensation Plans \(sanluisobispo457.com\)](https://sanluisobispo457.com)

Secure your financial future – enroll in the Deferred Compensation Program today!