



**Nationwide®**  
is on your side

Retirement Plans

457(b) Plan Highlights

# Plan Highlights

Nationwide® Deferred Compensation

# Get started in three steps

## 1 Find your comfort zone.

Consider your interest and confidence levels, then choose the investment strategy that's right for your unique situation.

## 2 Choose the investment options that are right for you.

Choose your funds from your Plan's investment options, and think about how much you want to contribute.

## 3 Enroll in the Plan.

Follow the instructions on the enrollment packet, which will be provided by your Retirement Specialist. Complete and turn in any applicable forms.

### Still need more information about retirement?

We have resources to help. Learn more about smart preparation in Planning for Retirement 101, a guide available from your Retirement Specialist. Request a copy today.

### Questions?

Just call us at 1-877-NRSforU (1-877-677-3678).

We are here to help you and to give you the information you need to feel confident about your retirement decisions. You can also visit us online at [NRSforU.com](http://NRSforU.com).

*Investors must ultimately rely on their own judgment, or that of an investment professional, in making suitability determinations. Nationwide and its representatives do not give legal or tax advice. An attorney or tax advisor should be consulted for answers to specific questions.*

# Step 1

## Find your comfort zone.

As mentioned in Planning for Retirement 101, everyone is different when it comes to managing their deferred compensation accounts. Consider your interest and confidence levels when choosing your strategy. What's your preference?

| Hands-off  | A little of both  | Hands-on   |
|--|---|--|
| Nationwide ProAccount®   | Asset allocation funds: target date funds <sup>1</sup> and/or investor profile funds <sup>2</sup>   | The Plan's available investments/<br>self-directed option  |
| <p>A convenient, professionally managed option in which your investments are actively selected for you by a professional money manager, based on information you provide about your time horizon and risk tolerance.</p> <p>Ask for a Nationwide ProAccount® enrollment kit to sign up for or learn more about this option.</p> <p><i>Investment advice for Nationwide ProAccount is provided to plan participants by Nationwide Investment Advisors LLC, an SEC-registered investment adviser. Nationwide Investment Advisors LLC has retained Wilshire Associates Incorporated as the Independent Financial Expert for ProAccount.</i></p> <p><i>The fee for this service is up to 1% of your average daily account balance.</i></p> | <p><b>Target date funds</b> are managed with your specific date in mind (usually retirement or when you will begin making withdrawals). The mix is periodically adjusted to balance risk and return and become more conservative as the chosen date approaches.</p> <p><b>Investor profile funds</b> are managed with your specific risk level in mind. Asset mixes range from conservative to aggressive and are rebalanced periodically to maintain the appropriate risk level.</p> | <p><b>The Plan's available investments</b> allow you to hand-select and manage your investments based on your risk tolerance or another strategy.</p> <p><b>A self-directed option</b> may also be available. This provides you with expanded investment options if you're looking for a greater role in managing your account. You'll need to review your account on a regular basis to make sure that your selections are still in line with your goals.</p> <p><i>Brokerage services for the self-directed brokerage account (SDBA) are provided by Charles Schwab &amp; Co. Inc.</i></p> |

<sup>1</sup> Target date funds are asset allocation funds designed for people who plan to retire during or near a specific year. These funds invest in underlying funds, using a strategy that reallocates assets to become more conservative as an investor approaches retirement. Therefore, in addition to the expenses of the target date fund, an investor indirectly pays a proportionate share of the applicable fees and expenses of the underlying funds. Like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

<sup>2</sup> Investor profile funds are a form of asset allocation funds that can be selected based on your personal objectives and risk tolerance. These funds are designed to provide asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the fund itself, an investor pays a proportionate share of the applicable fees and expenses of the underlying funds. The use of diversification and asset allocation as part of an overall investment strategy does not assure a profit or protect against loss in a declining market.

## Step 2

### Choose the investment options that are right for you.

If you chose “hands-off,” ask for a Nationwide ProAccount enrollment kit and craft a plan from there. If you chose “a little of both,” consider the asset allocation or target date funds listed in your participation agreement. If you chose “hands-on,” consider the funds other than asset allocation or target date funds listed in your participation agreement and create your own asset mix.

#### Asset allocation funds

Asset allocation funds are designed to provide diversification across several investment and asset classes, primarily by investing in a mixture of funds. This mixture takes into account either the target date the investor would like to retire (target date funds) or the investor’s tolerance for risk (investor profile funds).

Unlike a balanced fund, which does not adjust its asset mix in consideration of age or risk tolerance, investor profile funds are routinely adjusted in response to market conditions. Target date funds are routinely adjusted to become more conservative as the target date approaches.

Investor profile funds tend to have words such as aggressive, moderate or conservative in their name, while target date funds tend to have a year (the target date) in their name.

#### International funds

These funds include stock in companies located outside of the United States. These stocks may trade on either the U.S. or foreign stock exchanges and are generally considered higher-risk investments. Additional risks include currency fluctuations, political instability, differences in accounting standards and foreign regulations.

#### Small-cap funds

Small-cap refers to companies with market values (or capitalization) under \$2 billion. Small companies can often grow much faster than big companies, but their stocks also tend to be riskier.

#### Mid-cap funds

Mid-cap refers to companies with market values (or capitalization) between \$2 billion and \$10 billion. These stocks are typically more volatile than large-cap stocks but less risky than small-cap stocks.

#### Large-cap funds

Large-cap refers to companies with market values (or capitalization) greater than \$10 billion. Because these tend to be large, established corporations, their stocks generally offer lower risk than stocks from mid- and small-cap companies.

#### Balanced funds

Balanced funds typically invest in a combination of stocks (which tend to be higher risk), bonds (which tend to be more stable) and, occasionally, short-term investments. This is similar to an asset allocation approach, but the asset mix is never adjusted in response to the investor’s age or risk tolerance.

#### Bond funds

Bond funds are formed of bonds purchased from a government entity or corporation that agrees to pay back the original amount paid, along with interest, on a specified date. Many bonds are generally steadier than stocks and provide a steadier flow of income. However, they also typically provide a lower rate of return. High-yield bond securities are typically subject to greater risk and price volatility than funds that invest in higher-rated securities.

#### Short-term investments (fixed accounts/cash)

Short-term investments are sometimes referred to as cash equivalents because they can be easily sold (converted to cash) without affecting their value. While these short-term investments are generally less risky than stocks or bonds, their returns are also usually much lower and may not keep pace with inflation. A variety of investment types can be generally categorized as short-term investments, including certificates of deposit (CDs), money market accounts (MMAs) and Treasury bills (T-bills).

**Fund prospectuses can be obtained by calling 1-877-NRSforU (1-877-677-3678). Before investing, carefully consider the fund’s investment objectives, risks, charges and expenses. The fund prospectus contains this and other important information. Read the prospectuses carefully before investing.**

## Step 3

### Enroll in the Plan.

Ask your Retirement Specialist for an enrollment packet today. It includes everything you need to complete and mail your applicable forms. If you need further help, just use the contact information below to get the answers you need.

### Keeping up and getting help is easy.

#### Easy 24/7 access at NRSforU.com

Account actions include:

- > Set up online access to your account
- > Find out your account balance
- > Make deferral/allocation changes
- > Exchange funds or restructure your account
- > View fund pricing and performance
- > Change your personal information and password

Online planning tools include:

- > My Interactive Retirement Planner<sup>SM</sup>
- > Account growth estimator
- > Take-home pay calculator
- > Asset allocation tool

#### Easy phone access at 1-877-NRSforU (1-877-677-3678)

Nationwide<sup>®</sup> Retirement Specialists are available from 8:30 a.m. to 6:30 p.m. ET and Customer Service Reps are available from 8 a.m. to 11 p.m. ET:

- > To take your questions over the phone
- > To set up a one-on-one appointment

#### Round-the-clock access to the automated Voice Response Unit (VRU)

Account actions include:

- > Find out your account balance
- > Make deferral/allocation changes
- > Exchange funds or restructure your account
- > Change future allocations
- > Change your PIN

### Questions?

Just call us at 1-877-NRSforU (1-877-677-3678).

We are here to help you and can give you the information you need to feel confident about your retirement decisions. You can also visit us online at NRSforU.com.

## Frequently asked questions about contributions

### What's the minimum I need to contribute to be in the Plan?

\$10 per pay period.

### What's the maximum I can contribute?

Unless you qualify for one of the "catch-up" provisions discussed later, the maximum that you can contribute to the Plan is 100% of your includable compensation or the applicable dollar amount for the year found in Internal Revenue Code Section 457(e)(15), whichever is less. This calendar year, the maximum applicable deferral amount is \$19,500.

### If I'm participating in another 457(b) plan, what's the maximum I can contribute then?

If you are a member of another plan governed by Section 457(b) of the Internal Revenue Code, your total deferrals to all Section 457 plans combined, not including catch-up deferrals, may not exceed \$19,500 this calendar year.

### What's the maximum contribution limit for me if I'm currently in a 401(k) and/or 403(b) plan?

If you are currently participating in another elective deferral plan that is not a 457(b) plan, such as a 401(k) plan or 403(b) plan, the maximum deferrals to your 457(b) plan are not affected by the deferral limits for those other non-457(b) plans.

### If I'm close to retirement, is there a way to contribute more?

If you are within three years of the year in which you will attain normal retirement age under the Plan, and are making the maximum contribution to the Plan, you may be eligible for a catch-up contribution through the special 457 catch-up provision. If you have not contributed the maximum in the past, you may be able to increase your deferral amount to up to two times the maximum contribution limit (for example, this calendar year you may be able to contribute as much as \$39,000). **Important: The special 457 catch-up cannot be used in the same year as the age 50 catch-up (see next question).**

### If I'm not so close to retirement, can I still contribute more?

If you are age 50 or older, you may use the age 50 catch-up provision. With the age 50 catch-up provision, you can contribute an additional \$6,500 over the normal deferral limit this calendar year. **Important: The age 50 catch-up cannot be used in the same year as the special 457 catch-up.**

### Can I roll over my balance from another plan into this one?

Yes, the Plan accepts eligible rollover distributions from other eligible retirement plans. In addition, plan-to-plan transfers from another governmental 457(b) plan are permitted under this Plan, if the other governmental 457(b) plan permits such transfers. There are differences between deferred compensation plans, individual retirement accounts, and qualified plans, including fees and when you can access funds. There may be sales charges or other fees when you move money out of your current account. You should consider all factors before making a decision. Assets rolled over from a qualified plan, deferred retirement option plan (DROP) or IRA may be subject to a 10% excise tax if withdrawn prior to age 59½.

### Can I ever stop my payroll deferrals?

You may stop payroll deferrals to the Plan at any time.

### Are there any fees I need to be aware of?

There is an Administrative Plan fee applied to certain investment options. The maximum is 0.95% and may be lower depending on your plan and the options you select. Fees and expenses of the underlying fund options also apply and may be found in the fund prospectus(es).

### How often can I change my investment options?

You can make changes to your fund selections at any time. However, each mutual fund has specific rules and guidelines that may restrict frequent transactions into and out of that fund. These rules and guidelines are generally included in the prospectus of each mutual fund. You can obtain prospectus(es) from the Fund Performance section of our website or by contacting a Nationwide representative. Additionally, to protect the interests of all participants, the Plan may impose plan-level restrictions that limit frequent trading.

### What is the Roth contribution option?

You can designate all or part of your contributions as after-tax Roth 457 contributions. That allows you to pay taxes on your contributions now, based on your current tax bracket, and avoid taxes later if certain conditions are met.

For comparison: Regular contributions are pretax, which means you will pay taxes upon withdrawal, within the tax bracket you're at during the time of withdrawal.

## Frequently asked questions about distributions

### Can I withdraw my funds before I retire?

Because your funds receive the benefit of tax-deferred status, there are limits to when you can withdraw them. If you are still employed, you can withdraw money from the Plan:

- If you experience an unforeseeable emergency that is approved by the Plan
- If your account balance is \$5,000 or less and you have not deferred into the Plan for at least two years, and you have not made prior withdrawals of this type
- If you have reached age 70½

### Are there any penalties when I withdraw my money after I leave my job?

There are no excise taxes from the amount withdrawn from your 457(b) account. However, if you take distributions before age 59½ from a rollover account from a qualified plan such as a 401(k) or an IRA, you may be subject to early withdrawal excise taxes.

### Will I have to pay taxes on the funds I withdraw?

When you withdraw your funds or start to receive distributions, they are considered taxable income. This means you will have to pay taxes on them and you will need to complete federal and state income tax withholding forms for the year the withdrawals/distributions are made. The benefit payments made to you are reported on Form 1099-R.

*Neither Nationwide nor its representatives give tax or legal advice. Please consult with a tax or legal advisor for such advice.*

### When I retire or leave my job, what are my options?

If you choose to leave your employment or your employment ends because of retirement or permanent disability, there are many options available to you. Contact a Nationwide representative to discuss the details.

You can either leave your money where it is or select from the following payout options:

- Taking it in a lump sum
- Making systematic withdrawals
- Opting for an annuity payout
- Rolling your money over into another plan or into an IRA

### Do I have to withdraw my money right away when I retire?

No. If you are not ready to take any portion of your account now, you can leave it invested, where it has the potential to continue to grow.

### When must I begin withdrawing my money?

You must begin taking required minimum distributions, as defined by the Internal Revenue Service, no later than April 1 of the year following the year you turn age 70½ or separate from employment, whichever is later.

### How soon do I need to notify someone so my distributions can start?

If you are planning to stop working, contact a Nationwide representative as soon as possible to receive assistance in planning your distributions.

### How do I receive my distributions?

You can receive them either as a direct deposit into a savings or checking account or as a paper check through the mail. If you choose direct deposit, you will receive your initial payments through the mail until your account is set up and your bank account information is confirmed.

### Can I change how often I receive my distributions?

Yes. If you decide you want to change the frequency of your payments, simply fill out a new Benefit Payment Election form with your preferred payment schedule. If you elect an annuity payout option, other restrictions apply.



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To learn more about the managed account option, Nationwide ProAccount®, please request an enrollment packet. Professional money management for Nationwide ProAccount is provided by Nationwide Investment Advisors LLC, an SEC-registered investment adviser. Nationwide Investment Advisors LLC has hired Wilshire Associates as the Independent Financial Expert for the ProAccount portfolios.

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# Time is on your side.

Check out this example:

| ASHLEY                        |
|-------------------------------|
| Starts at age 21              |
| Stops at age 35               |
| Contributes for 14 years      |
| \$57.69/week                  |
| 7% hypothetical growth rate   |
| Total contribution = \$42,000 |
| Age 67                        |
| <b>\$610,374</b>              |

| MICHAEL                       |
|-------------------------------|
| Starts at age 35              |
| Stops at age 67               |
| Contributes for 32 years      |
| \$57.69/week                  |
| 7% hypothetical growth rate   |
| Total contribution = \$96,000 |
| Age 67                        |
| <b>\$342,306</b>              |

| COURTNEY                       |
|--------------------------------|
| Starts at age 21               |
| Stops at age 67                |
| Contributes for 46 years       |
| \$57.69/week                   |
| 7% hypothetical growth rate    |
| Total contribution = \$138,000 |
| Age 67                         |
| <b>\$952,682</b>               |

This illustration is a hypothetical compounding calculation assuming a rate of return of 7% on a \$30,000 annual salary. It is not intended to serve as a projection or prediction of the investment results of any specific investments. Investments are not guaranteed. Depending on the underlying investments, returns may be higher or lower. If costs and expenses had been considered in this illustration, the return would have been less. The interest is compounded annually based on weekly contributions.

Investing involves market risk, including possible loss of principal. Actual investment results will vary depending on your investment and market experience, and there is no guarantee that fund objectives will be met.

Nationwide and its representatives do not give legal or tax advice. An attorney or tax advisor should be consulted for answers to specific questions.

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