Personal SAVINGS BEYOND your pension

Deferred Compensation Plan

Member Handbook

Personal **SAVINGS**

BEYOND your pension

Everyone wants to maintain their standard of living once they retire. **RSA-1 CAN HELP YOU DO THAT.** We make it easy to **BOOST YOUR RETIREMENT SAVINGS** and save money in taxes.

CONTENTS

The information in this handbook is based on Section 457 of the Internal Revenue Code of the United States and is authorized by §36-27A-1, et. seq., *Code of Alabama 1975*. This handbook is not intended as a substitute for the Internal Revenue Code nor will its interpretation prevail should a conflict arise between its content and Section 457 of the Internal Revenue Code. Do not rely solely upon the information provided in this handbook to make any decision regarding enrollment in RSA-1, but contact RSA-1 with any questions you may have. This handbook is educational and not intended to serve as the primary source or sole basis for your investment or tax-planning decisions.

WHAT IS RSA-1 ?

More than just a way to save money and put time on your side, RSA-1 is an eligible deferred compensation plan as defined by Section 457 of the Internal Revenue Code (IRC) that allows a public official or employee of the state of Alabama or any political subdivision thereof to voluntarily defer receipt of a portion of their salary until a later determined date, usually at retirement or termination of service. The plan is authorized by §36-27A-1, et. seq., *Code of Alabama 1975*. RSA-1 is administered by the Secretary-Treasurer of the ERS under the supervision and direction of the PEIRAF Board of Control, which is composed of members of the investment committees of the TRS and ERS Boards of Control.

Contributions are paid into RSA-1 and invested for the participant's benefit. Contributions and any investment earnings are held in the participant's account for the exclusive benefit of the plan participants and their beneficiaries. As of 2024, RSA-1 offers a traditional 457(b) Pre-Tax Account and a designated Roth Account, to give our members **two choices for personal savings beyond their pensions.** An amended and restated RSA-1 Plan Document is available on the Retirement Systems of Alabama (RSA) website or by calling RSA-1 at 877.517.0020.

IS RSA-1 THE SAME AS MY RSA RETIREMENT?

No. RSA-1 is a voluntary plan that allows you to save and invest extra tax-deferred or after tax money. Not only can you defer taxes immediately, but your contributions and any earnings will also grow on a tax-deferred basis. All the money you defer and all investment earnings are placed into your account and managed by RSA Investment Staff.

Your RSA retirement is a defined benefit plan qualified under Section 401(a) of the IRC. A defined benefit plan provides you with a specific benefit at retirement by calculating the retirement benefit based on a formula. Benefits are payable monthly for the member's lifetime, possibly continuing for the lifetime of their beneficiary. **Participation in RSA is mandatory** if a person is employed in a position eligible for coverage in a non-temporary capacity on at least a one-half-time basis and is earning at least the federal minimum wage.

RSA-1 = TAX SAVINGS

Your contributions into the RSA-1 Plan are invested by the RSA's Investment Staff. Any earnings that are accumulated in a **Pre-Tax Account** are not subject to federal or state of Alabama income taxation until distributed to you or your beneficiaries. For a **Roth Account**, your qualified distributions of contributions and their earnings, if any, come out tax-free.

NO FEES!

Unlike other funds, there are no administrative, membership, investment, transaction, sales, or commission fees for participating in the RSA-1 Plan. All the money you contribute and all investment earnings are placed into your account and invested by RSA-1.

AM I ELIGIBLE TO PARTICIPATE?

Any public official or employee of the state of Alabama, supernumeraries, and those eligible employees under §36-27-6, or any political subdivision thereof is eligible to participate in the RSA-1 Deferred Compensation Plan, regardless of age or participation in the RSA. Participation in RSA-1 is strictly voluntary.

What are the **KEY FEATURES** of RSA-1?

The RSA-1 Deferred Compensation Plan is a tremendous benefit offered to you by the RSA.

Here are some of the key features:

- Enroll in RSA-1 at any time. Enrollment forms are available in the back of this handbook and on our website, **rsa-al.gov**. Participants may also enroll online through Member Online Services (MOS) at **mso.rsa-al.gov.**
- RSA-1 is payroll deductible, making saving easy and convenient.
- There is no minimum amount you must contribute each month and no fees.
- Contributions may be increased, decreased, or stopped as often as your payroll officer allows.

Pre-Tax Accounts

- For the Pre-Tax Account, deferring some of your income before taxes can add more savings to your retirement.
- For the Pre-Tax Account, contributing pre-tax dollars lowers your taxable income and reduces the amount of taxes you pay.
- Because receipt of the income for the Pre-Tax Account is deferred, the deferred income is not included in your federal or state of Alabama gross taxable income.

Roth Accounts

- The Roth Account allows you to withdraw your contributions without taxes or penalties if certain conditions are met.
- Earnings and contributions from your Roth Account can pass on to your heirs tax-free.
- There are no Required Minimum Distributions (RMDs) from Roth Accounts.

How do I **ENROLL** in RSA-1?

IT'S EASY. ENROLL ANYTIME!

New to the RSA-1 Plan? Enroll in three easy steps.

STEP 1 Complete the forms

To participate in the RSA-1 Plan, you must complete the RSA-1 Enrollment Packet which includes these three forms:

- RSA-1 Deferred Compensation Plan Enrollment
- RSA-1 and PEIRAF Beneficiary Designation
  It is very important to choose a beneficiary—someone to receive your account in the event of your death. Be sure to keep this information current.
- RSA-1 Authorization to Defer Compensation (submit to your payroll officer)

You decide how much to contribute each pay period and the percentage you want in the various investment options.

STEP 2 Submit the forms

Once the forms are completed, it is time to submit them to establish your account.

- Submit the RSA-1 Deferred Compensation Plan Enrollment and the RSA-1 and PEIRAF Beneficiary Designation to:

  THE RSA-1 DEFERRED COMPENSATION PLAN
  P.O. Box 302150
  Montgomery, AL 36130-2150

Contributions should not be submitted until RSA-1 has received the RSA-1 Deferred Compensation Plan Enrollment form.

- Submit the RSA-1 Authorization to Defer Compensation form to your payroll officer.

STEP 3 Begin saving!

Automatic payroll deductions make it easy to save as your money is automatically deposited into your account.

Already a member of the RSA-1 Plan? If you are an existing member with a Pre-Tax Account and would like to add a Roth Account, you can do so easily.

- Complete the RSA-1 Contribution Allocation form, deciding what percentage you want in the various investment options for your Pre-Tax Account and Roth Account. This form can be found on our website and should be submitted to RSA-1.
- Complete an RSA-1 Authorization to Defer Compensation form to restart or increase your contribution amounts. This form should be submitted to your payroll officer.

Complete the enrollment forms in the back of this handbook or enroll online through MOS at mso.rsa-al.gov. You can also download the forms from the RSA website or request them from Member Services.

What are my **ACCOUNT OPTIONS?**

The income you contribute is paid into your account and invested for your benefit by the RSA Investment Staff. RSA-1 offers you two ways to increase your personal savings beyond your pension. Both offer federal income tax advantages.

The Pre-Tax Account is an eligible deferred compensation option that allows you to voluntarily defer receipt of a portion of your salary with accumulated earnings not subject to income taxation until distribution to you or your beneficiaries.

Pre-Tax Accounts are for tax savings now. Pre-tax contributions are automatically deducted from your paycheck **before** taxes are taken out. This initial tax break leaves you with more money that you can invest, save, or spend. When you are eligible to withdraw, your contributions and any earnings will be taxed. This could be very beneficial if you enter a lower tax bracket at retirement

The Roth Account is a voluntary after-tax contribution option. You can elect to make designated Roth contributions of money from your paycheck that has already been taxed. This helps you build a nest egg where you pay no taxes on the money you withdraw in retirement. Your qualified distributions of contributions and their earnings, if any, come out tax-free. Less tax on plan distributions could mean higher net distributions in retirement.

Roth Accounts provide tax advantages later. Roth contributions are automatically deducted from your paycheck **after** taxes have been taken out. Your Roth contributions have already been taxed, so you don't pay taxes on your qualified distribution and any earnings. This could be beneficial if you are in a higher tax bracket after retirement.

Paycheck comparison example

View the differences in take-home pay when saving before-tax versus Roth after-tax.

	Pre-Tax Account	Roth Account
Gross income	$50,000	50,000
Pre-tax contribution	(5,000)	n/a
Taxable income	45,000	50,000
25% income taxes	(11,250)	(12,500)
After-tax income	35,750	37,500
Roth contribution	n/a	($5,000)
Take-Home Pay	**$33,750**	**$32,500**

Which account OPTION IS RIGHT for me?

When considering which account option to choose, you need to understand your current finances and future goals. The RSA-1 Plan gives you the choice of tax savings now with the Pre-Tax Account or tax savings later with the Roth Account.

DAVID *age 45*

- In his "peak" earning years
- Wants a current tax break
- Doesn't want to lose a tax deduction right now
- Expects to be in a lower tax bracket when he retires

Comparing David's Options	Pre-Tax Account	Roth Account
Gross Income	$75,000	$75,000
Annual Salary Available to Save	10,000	10,000
Less Taxes at 25%	**0**	**(2,500)**
Yearly Contribution	10,000	7,500
Total Contributed Over 20 Years	200,000	150,000
Contribution Value at Retirement (assuming 6% return)	377,866	283,399
Less Taxes at 15%	**56,680**	**0**
After-Tax Value	**321,186**	**283,399**

David is Considering a **Pre-Tax Account**

LILLY *age 25*

- Wants long-term, tax-free growth potential
- Isn't worried about tax deductions now
- Confident her salary will increase in the coming years
- Expects to be in a higher tax bracket when she retires

Comparing Lilly's Options	Pre-Tax Account	Roth Account
Gross Income	$ 43,000	$43,000
Annual Salary Available to Save	3,000	3,000
Less Taxes at 15%	**0**	**(450)**
Yearly Contribution	3,000	2,550
Total Contributed Over 40 Years	120,000	102,000
Contribution Value at Retirement (assuming 6% return)	476,919	405,381
Less Taxes at 33%	**157,383**	**0**
After-Tax Value	**319,536**	**405,381**

Lilly is Considering a **Roth Account**

KAREN *age 55*

- Wants tax flexibility now and in retirement
- Likes the idea of tax-free retirement income, but also likes her current tax deduction
- Unsure if her future tax bracket will be higher or lower
- Wants to optimize her tax strategy year-to-year as retirement income

Comparing Karen's Options	Pre-Tax Account	Roth Account
Gross Income	$60,000	$60,000
Annual Salary Available to Save	6,000	6,000
Less Taxes at 25%	**0**	**(1,500)**
Yearly Contribution	6,000	4,500
Total Contributed Over 10 Years	60,000	45,000
Contribution Value at Retirement (assuming 6% return)	81,237	60,928
Less Taxes at 25%	**20,309**	**0**
After-Tax Value	**60,928**	**60,928**

Karen is Considering a Combination of a **Pre-Tax Account** *and a* **Roth Account**

Pre-Tax and Roth Comparison Chart

Features	Pre-Tax Account	Roth Account
Contributions	Pre-tax basis	Tax-paid basis
Maximum contribution	Lesser of annual IRS limit or 100% of gross salary, minus other tax-deferred retirement contributions and Pre-Tax salary reductions	
Catch-up for participants Age 50 or older	Yes	
Additional catch-up provision	For the three consecutive years prior to your NRA, may be able to contribute the catch-up maximum amounts if you under-contributed in prior years	
Investment earnings	Tax-deferred earnings	Tax-free earnings at distribution if qualified distribution rules are met
Tax-free qualified distributions	Distributions generally taxed as ordinary income	Must meet three-prong test: – a 5-year holding period, – a distribution taken on or after age 59½, and – separation from service If three-prong test is not met, must include earnings in gross income
Active service withdrawal	Attainment of age 70½, unforeseeable emergency, or small balance withdrawal	
Qualifying events that allow you to take a distribution	Retirement, termination from employment, attainment of age 70½, unforeseeable emergency, or small balance withdrawal	
Pay taxes on early withdrawal	No	Pay taxes on the earnings portion of unqualified distributions
Required Minimum Distributions (RMDs)	Yes	Beneficiaries of an inherited Roth Account may have RMDs
Transfers/Rollovers out	Rollover of eligible amounts to a 401(k), 403(b), 457 plan, Roth IRA, or Traditional IRA	Rollover to 457(b) Roth or Roth IRA
Transfers/Rollovers in	Accepts Pre-Tax transfers from a 457 plan or TSP Accepts rollovers from eligible employer DROP, PLOP, or ERIP accounts once you have terminated employment	Accepts after-tax transfers from 457(b) Roth
Purchase Service Credit	Yes for governmental defined benefit plan (like ERS and TRS)	No
In-Plan Conversions	Available to convert to the Roth Account (will be taxable in the year converted)	N/A

CONTRIBUTIONS are EASY to make.

For Both Account Options:

What is the minimum amount I can contribute to the RSA-1 Plan?

There is no minimum amount you may defer. Contributions may be in any amount desired (for example, $10, $25, $47, etc.) as long as you do not exceed the maximum deferral allowable under federal law. The amount of your contribution may be increased, decreased, or suspended as often as you wish, subject only to employer payroll requirements.

Is there a limit to how much I can contribute to RSA-1?

Yes. The combined amount contributed to all Pre-Tax and Roth Accounts in any one year for any individual is limited (under IRC Section 402(g)).

The following are the annual contribution maximums:

2025 Maximum Annual Contribution	
Under 50	$23,500
50 and Over	$31,000

These limits may be increased by the IRS in later years to reflect cost-of-living adjustments.

Contributions do not affect retirement benefits because retirement benefits are calculated on your gross salary.

What if I participate in other plans besides RSA-1?

If you are making contributions to another Section 457 plan, **the annual contribution maximum applies to all 457 plans.** For example, if you are contributing $10,000 in 2025 to RSA-1, you are limited to a total of $13,500 (or $21,000 age 50 and over) with any other 457 plan in that calendar year. If you are contributing to a 403(b) or a 401(k), the limits to those plans will not be affected by contributions to the RSA-1 Plan.

May I defer my sick and annual leave?

If you are eligible to receive payment for sick and annual leave at termination of employment, you may contribute up to the maximum limit in the year you terminate employment.

Can I make both Pre-Tax Account and Roth Account contributions?

Yes. You can contribute to both the RSA-1 Pre-Tax Account and the RSA-1 Roth Account in the same year in any proportion you choose.

Can I catch-up contributions for years I did not participate?

If you did not contribute the maximum contribution amount in the years beginning with 1986 and were eligible to participate, you may "catch-up" unused eligible amounts not exceeding the "special catch-up" maximum for one to three years if you are within three years of Normal Retirement Age (NRA) and are eligible for an unreduced pension. See the RSA-1 Special Catch-Up Election and Worksheet on the RSA website for additional information.

Year	Catch-up Maximum
2025	$47,000

The RSA-1 Plan allows members to make catch-up contributions during the three calendar years that **end prior to NRA.** NRA is the age you choose solely for the purpose of initiating your catch-up election. This age must occur no later than 70½ and be no earlier than the year you would be eligible for retirement benefits.

You cannot participate in the Age 50 and Over Deferral Maximum and Catch-Up provisions at the same time.

Special Catch-Up Rules

- The NRA determines the three-year period during which you are eligible to make Special

- Catch-Up contributions. At NRA, you are able to receive benefits under the ERS or TRS pension plan.
- You cannot elect an NRA before you are otherwise eligible for retirement or after age 70½.
- You cannot use the Special Catch-Up in the calendar year in which you reach the NRA you elect.
- You may use the Special Catch-Up in the year you retire if your retirement occurs in one of the three calendar years immediately prior to the year in which you reach the NRA elected above.
- You can only make this election once and this election is irrevocable once you begin making Special Catch-Up contributions.
- The Special Catch-Up contributions cannot exceed the amounts determined on the Special Catch-Up Worksheet. RSA-1 must approve the RSA-1 Special Catch-Up Election and Worksheet before catch-up deferrals can be made.

For Roth Accounts:

What is a designated Roth contribution?

A designated Roth contribution is a type of elective contribution that employees can make to the governmental 457(b) RSA-1 supplemental retirement plan. With a designated Roth contribution, the member irrevocably designates the contribution as an after-tax contribution that is deposited into a designated Roth Account. The employer includes the amount of the designated Roth contribution in the employee's gross income at the time the employee would have otherwise received the amount in cash if the employee had not made the election. It is subject to all applicable wage-withholding requirements.

Can I change my mind and have designated Roth contributions treated as Pre-Tax elective contributions?

No. Once you designate contributions as Roth contributions, you cannot later change them to traditional, Pre-Tax elective contributions.

What is an in-plan Roth conversion?

An in-plan Roth conversion is a conversion from your RSA-1 Pre-Tax Account to your RSA-1 Roth Account.

How are in-plan Roth conversions taxed?

The total amount of the conversion will be added to the gross income for the tax year in which you convert it.

Can I convert all or a portion of my Pre-Tax Account funds to a Roth Account?

Yes. You can convert any amount you would like. However, **this election is irrevocable** and the funds will be considered as taxable income in the tax year that the conversion was made.

What is the benefit of

COMPOUNDING?

Many retirees frequently say their biggest regret is that they did not start saving earlier. Make time work in your favor with the power of compounding. Compounding is the process in which an asset's earnings are reinvested to generate additional earnings over time.

By committing to a savings plan early, you can leverage the power of compounding. This means the money you invest in the RSA-1 Deferred Compensation Plan will continue to earn tax-free monies over time. Reinvesting these monies results in additional funds being earned year-after-year.

THE ADVANTAGE OF BEGINNING EARLY

Example

Based on a monthly contribution of $100 earning an interest rate of 7%, compounded monthly

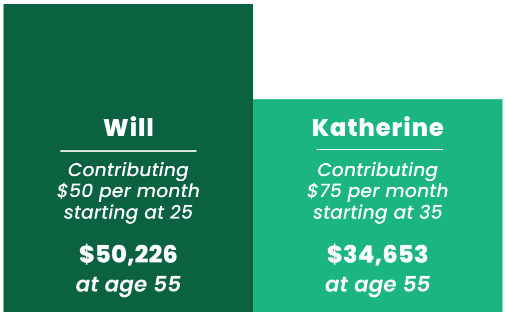
Starting Age	Value at Age 65	Total Amount Contributed	Cost of Waiting 10 Years
25	$264,012	$48,000	
35	$122,709	$36,000	$141,303
45	$52,397	$24,000	$70,312

***This chart is for illustrative purposes only and should not be considered indicative of the future performance of any of the investment options available through RSA-1.**

THE POWER OF COMPOUNDING

Start Examples

- Will started contributing **$50 monthly** into his account when he was **25 years old.**
- **At age 55**, Will's account balance will be **$50,226.**
- Katherine started contributing **$75 monthly** into her account when she was **35 years old.**
- **At age 55,** Katherine's account balance will be **$34,653.**



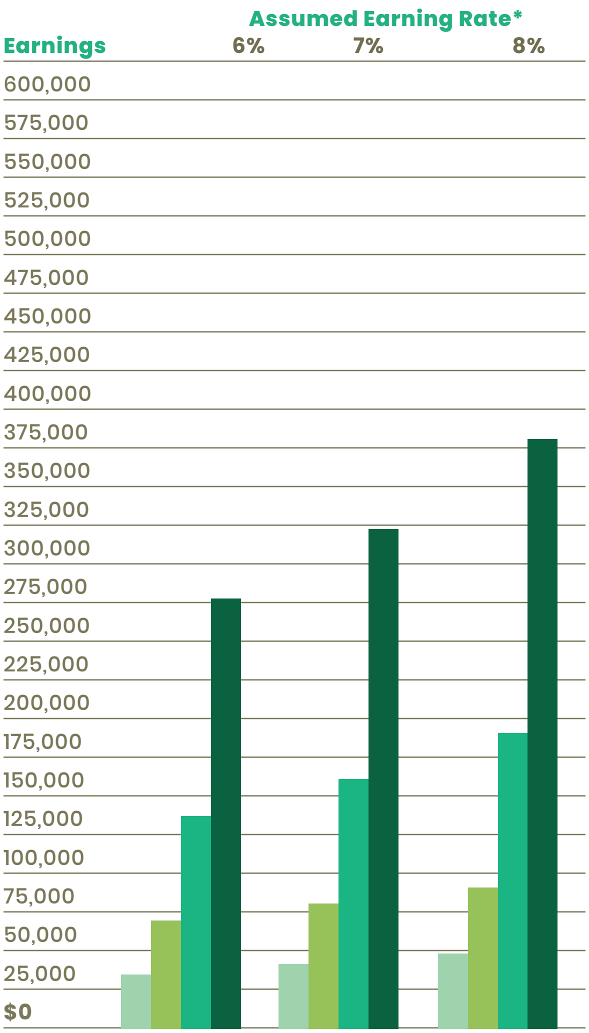
Both contributed a total of $18,000 but Will contributed a smaller amount each month and still accumulated $15,573 more than Katherine.

This is the power of compounding.

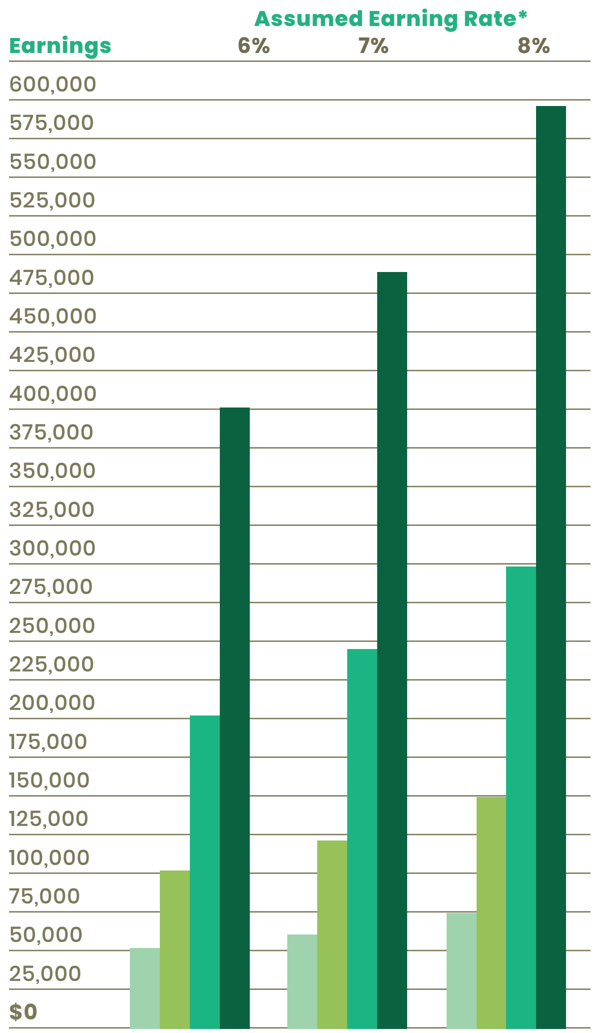
***This example assumes a 6% rate of interest and is for illustrative purposes only. It is in no way indicative of the future performance of any of the investment options available through RSA-1.**

RETIREMENT SAVINGS GROWTH POTENTIAL

*Effect of Saving Over a **25-Year Period***



*Effect of Saving Over a **30-Year Period***



**These examples are provided for illustration purposes only and do not guarantee that the fund will perform at this level in the future.*

KEY
Monthly Contribution Amount: $50 | $100 | $200 | $400

What are my **INVESTMENT OPTIONS?**

RSA-1 Plan funds are invested under the same authority and restrictions that govern investments made by the Teachers' and Employees' Retirement Systems. The RSA-1 Plan offers the option to invest in fixed income, equity, and/or short-term investments (STIF). The funds in the three investment options are invested as a pool. You choose how to allocate your funding among those pools.

The three investment options below are available for both the Pre-Tax and Roth Accounts.

- **FIXED INCOME PORTFOLIO**
  Invested in various debt instruments greater than one year. Examples include corporate bonds, U.S. agency obligations, government national mortgage association securities, and commercial paper.

- **EQUITY PORTFOLIO**
  Invested in an S&P 500 Index Fund which consists of 500 large capitalization stocks.

- **SHORT-TERM INVESTMENT PORTFOLIO**
  Keep in mind that STIF investments encounter less market risk than fixed income and equity because of their short duration and usually provide a lower rate of return than investments in those categories. Examples could include high-quality money market securities, U.S. Treasury bills or notes, and U.S. government agency notes with a maturity of one year or less.

  Although this investment option seeks to preserve the value of your investment, it is possible to lose money by investing in the fund.

The fixed income, equity, and STIF portfolios are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

How do I choose between the investment options?

When it comes to risk and reward, fixed income and equity generally behave differently. When choosing between the fixed income, equity, and STIF options, you should strive for an optimal blend of risk and reward—based on your age, years until retirement, and tolerance for risk.

Earnings, losses, and market value changes are calculated daily and included in your account balance. **The RSA-1 staff can further explain these options to you, but cannot advise you regarding which particular option to elect.**

Your earnings are based on market conditions. For recent and historical rates of return on investments, visit our website or call Member Services. Past performance is no guarantee of future performance.

Selecting your investment options.

First, your RSA-1 Deferred Compensation Plan Enrollment form is where you select the percentage of your contributions you want in each investment option. You can elect to have 100% in the fixed income, equity, or short-term investment option or split the percentages between the investment options, but they must add up to 100%. Contribution allocation changes can be made daily. Reallocations for existing funds can be made once a month.

Then, once your account is established, you must provide a completed RSA-1 Authorization to Defer Compensation form to your payroll officer to initiate contributions. **You can only defer contributions to RSA-1 through payroll deductions.** Do not submit the RSA-1 Authorization to Defer Compensation form to RSA-1 or the RSA. Your RSA-1 Authorization to Defer Compensation form is where you designate how much money you wish to defer per pay period for each account: Pre-Tax, Roth, or both.

ACCESSING your money

For Both Account Options:

How do I receive my distributions?

The RSA-1 Plan is not a savings account from which you make periodic withdrawals. Rather, it is a retirement plan that is available only after you have either retired or otherwise terminated employment. The withdrawal must be a bona fide severance of employment, with no prearranged reemployment.

RSA-1 Plan funds cannot be assigned or alienated.

Current IRS regulations require that distributions begin no later than April 1 of the calendar year following the calendar year in which the employee attains age 73 or retires, whichever is later.

You may withdraw your account when you meet one of the following conditions:

- Separation from service through retirement or termination from employment
- Attainment of age 70½
- Unforeseeable emergency (Contact RSA-1 for more information.)
- Small balance distribution (Contact RSA-1 for more information.)

When I withdraw my funds, how are they taxed?

Distributions are subject to the withholding rules applicable to qualified plans. Deferred income and investment earnings distributed from Pre-Tax Accounts will be taxed to the employee or beneficiary as ordinary income in the year of distribution and are reported on a Form 1099-R in the year of distribution. Roth Account distributions must be considered a qualified distribution or your investment earnings will be taxed.

What are my distribution elections?

With the exception of Required Minimum Distributions (RMDs), the following distribution elections are permitted only upon retirement or other termination of service.

The balance of the account(s) will include earnings calculated daily. You may leave the balance in your account until you request a distribution or you retire or terminate service and reach age 73 when it might be necessary to start the RMD **(Pre-Tax Account only)**. At the time of retirement or separation from service, you may choose one or a combination of the following distribution elections:

Periodic Payments

Members who elect to receive a periodic payment for a period of 10 years or more may use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments to elect to have zero federal income tax withheld from payments, or to elect to have additional federal income tax withheld. In the absence of a Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments election to the contrary, the amount withheld from such payments will be determined by treating the member as a single individual with no allowances. In all cases, the member will be responsible for taxation on federal tax returns. If the periodic payment is for a period less than 10 years, the IRS requires RSA-1 to withhold 20% for federal income tax.

Fixed Dollar Amount: You may have your account funds distributed in a specified dollar amount until your account is exhausted.

Fixed Time Period: You may have your account funds distributed periodically based on a specific number of years.

Lump-Sum Payments

The IRS requires RSA-1 to withhold 20% of the payment for federal income tax.

Partial Lump-Sum: You may receive a partial lump-sum payment and leave the balance in the account.

Full Lump-Sum: You may receive a lump-sum payment consisting of the balance in the account(s).

Combination of Elections

Participants may take a partial lump-sum payment and start periodic payments or a partial lump-sum payment and roll over a portion or the remaining balance to an eligible retirement plan.

What are my payment options?

Monthly, quarterly, semiannual, and annual payments are mailed and direct deposits are made the last business day of each month. Full lump-sum and partial payment checks can be direct deposited or mailed on the next available payroll date. No account earnings will be posted after the account is distributed in full. If you sever employment and your account value is less than $1,000, the Plan Administrator may pay the account in a lump-sum or permit you to roll over the account balance.

What qualifies as an Unforeseeable Emergency?

An unforeseeable emergency is defined as follows:

- You and/or your dependent are faced with a severe hardship resulting from a sudden and unexpected illness or accident.
- You are faced with a severe hardship resulting from loss of property due to flood, fire, or windstorm.
- Other similar and extraordinary circumstances arising as a result of events beyond your control.

In case of withdrawals due to unforeseeable emergencies, payment may not be made if:

- The loss was protected by insurance.
- The loss can be satisfied by liquidation of the participant's assets to the extent the liquidation of such assets would not in itself cause severe financial hardship.
- The loss can be satisfied by stopping payroll deductions to this plan.

In the event of emergency withdrawals described previously, payments from your account can only be made to the extent reasonably necessary to satisfy the emergency. Situations that may qualify as an unforeseeable emergency:

- Imminent foreclosure or eviction from one's primary residence
- Unreimbursed necessary medical expenses (excluding cosmetic procedures)
- Funeral expenses of a spouse, dependent, or beneficiary

Hardships that do not fall into the unforeseeable category described above do not qualify for withdrawal. Withdrawals will not be allowed for buying a home, college expenses, or other similar purposes. After a distribution for an unforeseeable emergency, a participant must stop contributions for a six-month period.

If you think you qualify, complete the RSA-1 Financial Hardship Packet which contains the:

- RSA-1 Financial Hardship Distribution Request,
- Form W-4R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions,
- RSA-1 Authorization to Defer Compensation (submit to your payroll officer), and
- RSA-1 Special Tax Notice Regarding Your Distribution.

What is a Small Balance Distribution?

The IRS allows a cash-out provision if **all** the following conditions are met:

- The account balance is $5,000 or less.
- There have been no contributions into the account for 24 months prior to the cash-out distribution.
- There have been no prior distributions other than hardship distributions.

What if I return to work?

If you return to work part-time with any employer eligible to participate in the RSA-1 Plan, you may continue to receive distributions under the fixed dollar amount or fixed time period options, provided the election was made prior to returning to work. No lump-sum or partial lump-sum distributions will be permitted while you are employed.

If you return to work full-time, all distributions must cease except for financial hardship, small balance, and 70½ voluntary distributions.

What happens to my account in the event of my death?

The IRS requires different distribution rules for beneficiary accounts for participants who died after December 31, 2021. Designated beneficiaries who do not fall under an exception listed below must withdraw the full account balance within 10 years, and non-designated beneficiaries must do so within 5 years. The Ten-Year Rule does not apply to an "eligible designated beneficiary," which includes a beneficiary who, as of the participant's death, is a surviving spouse, a minor child, a disabled person, a chronically-ill person, or any person not more than 10 years younger than the participant. Such eligible designated beneficiaries may spread RMDs over the beneficiary's expected lifetime, with some exceptions, including that for a minor child, the Ten-Year Rule begins to apply on the date that the minor child reaches the age of majority.

If the beneficiary is the surviving spouse, there are two options for Required Minimum Distributions:

- **Five-Year Rule:** The entire death benefit amount must be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death. This election must be made by December 31 of the year following the participant's death.
- **Life Expectancy Rule:** The death benefit must begin to be paid out over the spouse's life expectancy beginning by the later of December 31 of the year in which the deceased participant would have reached age 73 or December 31 following the participant's death.

If the beneficiary is a non-spouse, there are two options for Required Minimum Distributions:

- **Five-Year Rule:** The entire death benefit amount must be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death. This election must be made by December 31 of the year following the participant's death.
- **Life Expectancy Rule:** The death benefit must begin to be paid out over the non-spouse's life expectancy beginning by December 31 of the year following the participant's death.

Upon the death of the non-spousal beneficiary, the remaining amount is paid as a lump-sum to that beneficiary's designated beneficiary. If the beneficiary is an estate, trust, or charity, the entire death benefit amount must generally be distributed by December 31 of the calendar year containing the fifth anniversary of the owner's death (Five-Year Rule). It is the responsibility of the beneficiary to designate under which option they will receive the RMD. Should the beneficiary fail to designate an option, the RSA-1 Plan will make the RMD to the beneficiary on an annual basis using the Life Expectancy Rule.

For Roth Accounts:

Are distributions from my Roth Account required?

It depends. RMDs are not required for members with a Roth Account. Beneficiaries of Roth Accounts may be subject to RMDs. Contact RSA-1 for more information.

What is a qualified distribution from a Roth Account?

A qualified distribution of designated Roth contributions is excludable from gross income. A qualified distribution is one that is made at least five years after the year of the participant's first designated Roth contribution (counting the first year as part of the five) and is made after the participant turns age 59½ and separates from service. There are exceptions to this rule based on account of the participant's disability, or after the participant's death.

What is a 5-taxable-year period of participation for my Roth Account and how is it calculated?

The 5-taxable-year period of participation begins on the first day of your taxable year for which you first made designated Roth contributions to the plan. It ends when five consecutive taxable years have passed. If you make a direct rollover from a Roth Account under another plan, the 5-taxable-year period for the recipient plan begins on the first day of the taxable year that you made designated Roth contributions to the other plan, if earlier.

What happens if I take a distribution from my Roth Account before the end of the 5-taxable-year period?

If you take a distribution from your Roth Account before the end of the 5-taxable-year period, it is a nonqualified distribution. You must include the earnings portion of the nonqualified distribution in gross income. However, the basis (or contribution) portion of the nonqualified distribution is not included in gross income. For example, if a nonqualified distribution of $5,000 is made from your Roth Account and this amount consists of $4,700 of Roth contributions and $300 of earnings, the $300 of earnings would be included in your gross income.

Since I make designated Roth contributions from after-tax income, can I make tax-free withdrawals from my Roth Account at any time?

It depends. The same restrictions on withdrawals that apply to Pre-Tax elective contributions also apply to designated Roth contributions. However, if the withdrawal of Roth contributions is a qualified distribution, then the withdrawal will be tax free.

For Pre-Tax Accounts:

When can I withdraw my funds from my Pre-Tax Account?

Pre-Tax Account funds are available only after you have either retired or your employment has been terminated.

Are distributions from my Pre-Tax Account required?

Required Minimum Distributions (RMDs) are the minimum amounts that must eventually be distributed from the plan to participants and beneficiaries of Pre-Tax Accounts. Participants and beneficiaries who do not take timely RMDs from the plan will be subject to a 25% excise tax on the amount of the Required Minimum Distribution that should have been distributed. Of course, distributions can be made in greater amounts than the minimum required by law. In general, a participant is required to begin distributions no later than April 1 of the calendar year following the later of:

The calendar year the participant attains age 73
OR *the calendar year the participant retires.*

A participant's RMDs are generally distributed during a participant's lifetime based upon the participant's life expectancy. RMD rules continue to apply after the participant's death.

Does RSA-1 accept TRANSFERS and ROLLOVERS?

For Both Account Options:

YES. RSA-1 accepts rollovers from state of Alabama or other eligible employer DROP, PLOP, or ERIP accounts once you have terminated employment. RSA-1 also accepts trustee-to-trustee transfers from other 457 plans and Thrift Savings Plans (TSP) held by the participant. Funds transferred from other 457 accounts must not include funds that have ever been held in an account other than a governmental 457(b) account.

TRANSFERS/ROLLOVERS TO OTHER PLANS

RSA-1 allows transfers to other state of Alabama 457 plans while you are still in-service. Once you are eligible for distributions due to retirement, termination, or death, you or your beneficiary may roll over your RSA-1 funds to a Section 401(k), 403(b), 457 plan, Roth IRA, or a Traditional IRA. The RSA-1 Outgoing Transfer or Rollover to Eligible Plans form must be requested from Member Services.

457 TRANSFERS TO RSA-1

RSA-1 accepts trustee-to-trustee transfers from a participant's other governmental Section 457(b) plans. An RSA-1 account must be established prior to the transfer. Funds transferred from other Section 457 accounts must never have been from any source other than 457(b). Roth funds from governmental 457(b) plans will be accepted. To transfer these funds:

- Complete the Incoming Transfer or Rollover from Other Plans to RSA-1 form and the Fund Allocation for Incoming Transfer or Rollover form.
- The Trustee of the previous 457 plan must complete and sign the Previous Plan Information section of the Incoming Transfer or Rollover from other Plans to RSA-1 form.
- Send the original completed notarized forms to RSA-1.

ROLLOVERS TO RSA-1

RSA-1 accepts rollovers from eligible employer DROP, PLOP, or ERIP accounts once you have terminated employment. Only participants, not spouses or other beneficiaries, can roll into RSA-1.

- **If you are not a member of RSA-1**, complete the RSA-1 Deferred Compensation Plan Enrollment form and the RSA-1 and PEIRAF Beneficiary Designation form. On the RSA-1 Deferred Compensation Plan Enrollment form, select the account type in which you intend to rollover to (DROP, 457(b) Transfer, PLOP, ERIP, or TSP Rollover section). Return the notarized forms to RSA-1 prior to terminating employment.
- **If you are already a member of RSA-1**, complete the Fund Allocation for Incoming Transfer or Rollover form (DROP, governmental 457(b) Transfer, PLOP, ERIP, or TSP Rollover section) and return it to RSA-1 prior to termination of employment.

For information about your DROP distribution, read the ERS or TRS DROP Distribution brochure on our website or request it from either the ERS or TRS.

For Pre-Tax Accounts:

TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT

You may use your Pre-Tax Account funds to purchase permissive service credit with a governmental defined benefit plan such as ERS and TRS. If you wish to purchase permissive service credit with the ERS or TRS, please contact the ERS or the TRS at 877.517.0020 for information on how to make this purchase. You must complete the **RSA-1 In-Service Transfer to Purchase Permissive Service Credit** form. This form is located on our website or can be requested through Member Services.

CAN I ROLL OVER MY PRE-TAX ACCOUNT FUNDS TO ANOTHER PLAN?

Once you are eligible for distributions, you may roll over your RSA-1 Pre-Tax Account funds to a traditional IRA, Roth IRA, 401(k), 403(b), governmental 457(b), Thrift Savings Plan, or a 457(b) Designated Roth. If still in service, you may transfer your RSA-1 Pre-Tax Account funds to state of Alabama eligible 457 plans.

For Roth Accounts:

WHAT IS AN IN-PLAN ROTH CONVERSION?

An in-plan Roth conversion is a conversion from your RSA-1 Pre-Tax Account to your RSA-1 Roth Account.

HOW ARE IN-PLAN ROTH CONVERSIONS TAXED?

The total amount of the conversion will be added to the gross income for the tax year in which you convert it.

CAN I ROLL OVER MY ROTH ACCOUNT FUNDS TO ANOTHER PLAN?

Once you are eligible for distributions, you may roll over your RSA-1 Roth Account funds to a Roth IRA, 401(k), 403(b), or governmental 457(b) Designated Roth. If still in service, you may transfer your RSA-1 Roth Account funds to state of Alabama eligible 457 plans.

Federal and state TAX Information

TAX WITHHOLDING

- Distributions are subject to the IRS withholding rules applicable to qualified plans.
- For lump-sum payments and partial lump-sum payments that are eligible for rollover distribution, federal law requires a 20% withholding.
- For periodic payments of less than 10 years' duration, the member will have 20% withheld for federal income tax as required by the IRS.
- For periodic payments of greater than 10 years' duration, the member may select the amount of federal tax they wish to have withheld from their periodic disbursement by using Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments.
- Generally, for payments to non-resident aliens, the IRS requires 30% withheld for federal tax.

PRE-TAX ACCOUNT DISTRIBUTION

- Deferred income and investment earnings distributed from RSA-1 will be taxed to you or your beneficiary as ordinary income in the year of distribution. RSA-1 payments to you and your beneficiaries are reported on a Form 1099-R in the year of distribution. There is no penalty for early distribution from a Section 457 Deferred Compensation Plan such as RSA-1 regardless of your age at the time of distribution.
- For amounts deferred in 1996 and prior years, the principal and interest are subject to federal income tax upon distribution, while only interest is subject to state of Alabama income tax upon distribution.
- For amounts deferred in 1997 and years thereafter, the principal and interest are subject to federal and state of Alabama income tax upon distribution.
- Principal distribution from a DROP, PLOP, or ERIP rollover account is not subject to state of Alabama income tax.

ROTH ACCOUNT DISTRIBUTION

- If the withdrawal of Roth contributions is a qualified distribution, then the withdrawal will be tax-free.

Important **INFORMATION**

Easy Account Access

Accessing your account is easy with the RSA's Member Online Services (MOS) website at **mso.rsa-al.gov**. For your protection, account information is not given over the phone or through email. Once the request is received, a letter is sent to the address on file.

Visit the RSA Website at rsa-al.gov

Visit the RSA website for the tremendous amount of useful information and interactive tools available. Important information available includes RSA-1 policy changes, 12-month historical returns, investment option information, rates of return, asset allocation, publications and forms, Legislation affecting the RSA and RSA-1, retirement benefit calculator, retirement planning information, and retiree information.

Keep Your Address Current

Having your current home mailing address on file with RSA-1 is very important. Many important documents are mailed to each member, including account statements. Active members must change their address with their employer. Retirees and beneficiaries may change their address through MOS. Retirees and beneficiaries may also change their address in writing, with signature, either by letter or Address Change Notification form which can be found on our website or requested from Member Services. Address changes cannot be made through email or over the phone.

Keep Your Beneficiary Designation Current

It is very important to maintain current beneficiary designations. **Your RSA-1 deferred compensation plan beneficiary(ies) and your RSA defined benefit plan beneficiary(ies) are designated on two different forms.** Federal tax laws dictate certain requirements for distributions of your RSA-1 account to your beneficiary(ies) after your death. If you have not recently reviewed your beneficiary designation(s), please do so as you prepare to terminate employment or retire. Please note that if the primary beneficiary predeceases you, the contingent beneficiary will receive the funds. If you need to change your beneficiary, download an RSA-1 and PEIRAF Beneficiary Designation form from our website or contact Member Services at 877.517.0020. You may submit your completed form through your MOS account.

You Will Receive a Statement Four Times Per Year

The RSA-1 statement verifies the balance and earnings for each investment option as of March 31, June 30, September 30, and December 31. Your designated beneficiary is also listed on the statement. To view your account, visit MOS on our website. You can also request information by contacting Member Services or emailing **rsa1info@rsa-al.gov.**

PEIRAF Board of Control

RSA-1 is administered by the Secretary-Treasurer of the Employees' Retirement System under the supervision and direction of the PEIRAF Board of Control, which is composed of members of the investment committees of the Teachers' and Employees' Boards of Control. This Board is authorized to make the rules and regulations governing RSA-1 in conformance with the requirements of the IRC.

Administrative Cost

The administrative cost for the operation of RSA-1 is provided from the expenses of the Employees' (ERS) and Teachers' (TRS) Retirement Systems. **No additional state funds are used to administer RSA-1.**

Account Corrections

Participants and beneficiaries are responsible for checking the accuracy of their quarterly statements. If an incorrect investment, exchange, or transfer is made, they must notify the Plan Administrator within 180 days of the closing date of the statement that reported the incorrect transaction. Incorrect investments, exchanges, and transfers will not be adjusted if the request is not received by the Plan Administrator within 180 days of the closing date of the statement.

Enrollment and Beneficiary Designation

FORMS

***Complete the enrollment forms on the following pages, or enroll online through MOS at* mso.rsa-al.gov.** *You can also download the forms from the RSA website or request them from Member Services.*

The RSA-1 Deferred Compensation Plan Enrollment form and the RSA-1 and PEIRAF Beneficiary Designation form should be submitted to:

THE RSA-1 DEFERRED COMPENSATION PLAN
P.O. Box 302150
Montgomery, AL 36130-2150

Submit the RSA-1 Authorization to Defer Compensation form to your payroll officer.

RSA-1 Deferred Compensation Plan Enrollment

Retirement Systems of Alabama
PO Box 302150, Montgomery, Alabama 36130-2150
877.517.0020 • 334.517.7000 • www.rsa-al.gov

Your SSN ___ ___ ___   ___ ___   ___ ___ ___ ___

Your Information

Name ____
First / Middle/Maiden / Last

Mailing Address ____
Street or P.O. Box / City / State / ZIP Code

Telephone Number ____________________ Email Address ____________________

Date of Birth ____________________ Sex ❑ Male ❑ Female

Employer Information

Employer ____
Agency Name

Address ____
Street or P.O. Box / City / State / ZIP Code

Telephone Number ____________________ Email Address ____________________

My current status is:

- ❑ Employees' Retirement System (ERS) member
- ❑ Teachers' Retirement System (TRS) member
- ❑ Judicial Retirement Fund (JRF) member
- ❑ I am not a member of ERS, TRS, or JRF

Regular Pre-Tax Contributions

I elect the following investment option for future deferrals. You can elect to have 100% in the fixed income, equity, or short-term investment option election or split the percentages between the investment options, but they must add up to 100%.

Invest ____________ % of **pre-tax contributions** in the RSA-1 **FIXED INCOME** investment option.

Invest ____________ % of **pre-tax contributions** in the RSA-1 **EQUITY** investment option.

Invest ____________ % of **pre-tax contributions** in the RSA-1 **SHORT-TERM** investment option.

Regular Roth Contributions

I elect the following investment option for future deferrals. You can elect to have 100% in the fixed income, equity, or short-term investment option election or split the percentages between the investment options, but they must add up to 100%.

Invest ____________ % of **Roth contributions** in the RSA-1 **FIXED INCOME** investment option.

Invest ____________ % of **Roth contributions** in the RSA-1 **EQUITY** investment option.

Invest ____________ % of **Roth contributions** in the RSA-1 **SHORT-TERM** investment option.

DROP, 457(b) Transfer PLOP, ERIP, TSP Rollover Accounts Only

I elect the following investment option for:
Check one: ❑ DROP ❑ 457(b) Transfer ❑ PLOP ❑ ERIP ❑ TSP

You can elect to have 100% in the fixed income, equity, or short-term investment option election or split the percentages between the investment options, but they must add up to 100%.

Invest ____________ % of **funds** in the RSA-1 **FIXED INCOME** investment option.

Invest ____________ % of **funds** in the RSA-1 **EQUITY** investment option.

Invest ____________ % of **funds** in the RSA-1 **SHORT-TERM** investment option.

Continue to page 2 where your signature is required.

RSA-1 Deferred Compensation Plan Enrollment

Name ____ **SSN** ___ ___ ___ ___ ___ ___ ___ ___ ___

Investment Options

RSA-1 **FIXED INCOME** investment option: The fixed income portfolio is invested in various debt instruments with maturities greater than one year, such as corporate bonds, U.S. agency obligations, mortgage obligations, and commercial paper.

RSA-1 **EQUITY** investment option: The equity portfolio is invested in a S&P 500 Index Fund.

RSA-1 **SHORT-TERM** investment option: The short-term investment fund (STIF) could include high-quality money market securities, U.S. Treasury bills or notes, and U.S. Government agency notes with a maturity of one year or less.

Please note that Fixed Income, Equity, and Short-Term Investment Options are all subject to market fluctuations.

Signature Certification

I understand the following regarding this investment option election:

My election must be made prior to the funds being submitted or transferred.
My election will remain in effect until a subsequent election is made, but it must remain in effect for **one day.**

Please read carefully as the following statements will apply to your RSA-1 account:

I have designated my beneficiaries on the separate Beneficiary Designation form (return to RSA-1).

I will complete an Authorization to Defer Compensation form and deliver it to **my payroll officer** to begin deferrals.
Please allow at least two business days to process the RSA-1 Enrollment and Beneficiary Designation forms.

I understand that I may not withdraw this account unless I meet one of the following conditions:

1. Separation from service through retirement or termination from employment
2. The attainment of age 70 ½
3. Unforeseeable emergency (must be approved by Plan Administrator)
4. Small Balance Distribution

If money is distributed from a Roth account during the first five years, you will incur a tax penalty.

Your signature affirms your understanding of each of these statements and is your agreement to be bound by the terms and conditions set forth in the amended and restated RSA-1 Plan Document, which is located on the RSA website.

Sign Here ➔ **Your Signature** ____________________________________ **Date** ____________________

RSA-1 and PEIRAF Beneficiary Designation

Retirement Systems of Alabama
PO Box 302150, Montgomery, Alabama 36130-2150
877.517.0020 • 334.517.7000 • www.rsa-al.gov

Your SSN ___ ___ ___ – ___ ___ – ___ ___ ___ ___

Type of Account: ☐ RSA-1 ☐ PEIRAF

Your Information

Please note: Divorce or annulment of a marriage shall not revoke or void the designation of a spouse as beneficiary for any benefits payable by RSA.

Name ______________________________
First Middle/Maiden Last

Mailing Address ______________________________
Street or P.O. Box City State ZIP Code

Telephone Number ______________ Email Address ______________

Date of Birth ______________ Sex ☐ Male ☐ Female

Designation of Primary Beneficiary(ies)

For primary beneficiaries, the percentages must add up to 100% using whole numbers only.

I hereby designate the following person(s) as my **PRIMARY BENEFICIARY(IES)** to receive any benefit that may become due at or after my death according to the terms of the Plan.

Name ______________ Relationship ______________ Date of Birth ______________

Address ______________________________
Street or P.O. Box City State ZIP Code

______ % SSN ______________ Telephone ______________ Sex ☐ Male ☐ Female

Name ______________ Relationship ______________ Date of Birth ______________

Address ______________________________
Street or P.O. Box City State ZIP Code

______ % SSN ______________ Telephone ______________ Sex ☐ Male ☐ Female

Name ______________ Relationship ______________ Date of Birth ______________

Address ______________________________
Street or P.O. Box City State ZIP Code

______ % SSN ______________ Telephone ______________ Sex ☐ Male ☐ Female

Name ______________ Relationship ______________ Date of Birth ______________

Address ______________________________
Street or P.O. Box City State ZIP Code

______ % SSN ______________ Telephone ______________ Sex ☐ Male ☐ Female

☐ Check if contingent beneficiary information is continued on the back of this form.

Signature Certification

Sign Here

Please have your signature acknowledged before a Notary Public.

Your Signature ______________________________ **Date** ______________

State of ______________, County of ______________ Seal

On this ______ day of ______________, 20______, personally appeared before me, the above named individual and acknowledged under oath that the statements made are true.

Signature of Notary Public ______________________________

My Commission Expires ______________________________

RSA-1 and PEIRAF Beneficiary Designation

If completing this side of the form, do not forget to sign at the bottom.

Name ______________________________ **SSN** ___ ___ ___ ___ ___ ___ ___ ___ ___

Designation of Contingent Beneficiary(ies)

In the event the primary beneficiary(ies) designated above does **not** survive me, I hereby designate the following person(s) as my **CONTINGENT BENEFICIARY(IES)** to receive any benefit that may become due at or after my death according to the terms of the Plan.

Name ______________________ Relationship ____________ Date of Birth ____________

Address ____
Street or P.O. Box City State ZIP Code

SSN ________________ Telephone ________________ Sex ❑ Male ❑ Female

Name ______________________ Relationship ____________ Date of Birth ____________

Address ____
Street or P.O. Box City State ZIP Code

SSN ________________ Telephone ________________ Sex ❑ Male ❑ Female

Name ______________________ Relationship ____________ Date of Birth ____________

Address ____
Street or P.O. Box City State ZIP Code

SSN ________________ Telephone ________________ Sex ❑ Male ❑ Female

Name ______________________ Relationship ____________ Date of Birth ____________

Address ____
Street or P.O. Box City State ZIP Code

SSN ________________ Telephone ________________ Sex ❑ Male ❑ Female

Sign Here ➔ **Your Signature** ______________________________ **Date** ____________

**Page two must be signed if any contingent beneficiary information is submitted on this side of the form.*

RSA-1 OF ALABAMA

RSA-1 Authorization to Defer Compensation

Retirement Systems of Alabama
PO Box 302150, Montgomery, Alabama 36130-2150
877.517.0020 • 334.517.7000 • www.rsa-al.gov

Your SSN ___ ___ ___ ___ ___ ___ ___ ___ ___

Use this form to begin, restart, increase/decrease, or stop contribution amounts.

Your Information

Complete and submit to your Payroll Officer to begin contributions.

Do not submit this form to RSA-1 or the RSA.

Name ______________________________
First Middle/Maiden Last

Mailing Address ______________________________
Street or P.O. Box City State ZIP Code

Telephone Number ______________ Email Address ______________

Date of Birth ______________ PID (optional) ______________

Contribution Information

Specify one of the following:

- ❑ New Enrollment
- ❑ Restart
- ❑ Sick/Annual Leave
- ❑ Increase Contributions
- ❑ Decrease Contributions
- ❑ Stop Contributions

If **enrolling** in RSA-1, please make certain that your RSA-1 Enrollment and Beneficiary Designation forms have been submitted to the RSA-1 Deferred Compensation Plan **before** submitting this form to your Payroll Officer. **Note the following exception:** If stopping contributions due to **financial hardship,** your Payroll Officer must sign verifying that contributions have been stopped. A copy of this form must then be submitted to RSA-1 with your Financial Hardship Distribution Request.

1. **Please defer** $ ______________ of contributions **per pay period** from my salary and remit this amount to the RSA-1 Deferred Compensation Plan into my **REGULAR PRE-TAX account.**
   If stopping contributions, enter zero (0) for the dollar amount.

2. **Please defer** $ ______________ of contributions per pay period from my salary and remit this amount to the RSA-1 Deferred Compensation Plan into my **REGULAR ROTH account.**
   If stopping contributions, enter zero (0) for the dollar amount.

3. **Effective date*** ______________ Effective date may not be earlier than the first of the month following the date this form is submitted to the payroll office.

4. If you are deferring payments for **Sick or Annual Leave** (must be enrolled), please indicate the amounts below:

   Please defer $ ______________ of my payment for unused Sick Leave or Annual Leave to my **REGULAR PRE-TAX account.**

   Please defer $ ______________ of my payment for unused Sick Leave or Annual Leave to my **REGULAR ROTH account.**

Signature of Employee

Sign Here

Your Signature ______________________________ **Date** ______________

Payroll Officer Information

***Only** if submitting a Financial Hardship Distribution Request or a Distribution Request.*

Payroll Officer Signature ______________________________ **Date** ______________

Name and Title ______________________________
Please Print

Payroll Officer Telephone ______________ Email Address ______________

Date Deferrals Stopped ______________

Please submit all required enrollment forms to RSA-1. Contributions received by RSA-1 without executed enrollment forms will be refunded. If you are already enrolled, please make certain you have an updated Contribution Allocation form on file with RSA-1 before submitting contributions.

INVEST

in YOURSELF.

RSA-1 DEFERRED COMPENSATION PLAN

PO Box 302150 | Montgomery, AL 36130-2150

rsa-al.gov

2025