

Leaving Employment Guide for Your Retirement Investment Plans



BART Retirement Plans

457(b) Deferred Compensation Plan and
401(a) Money Purchase Pension Plan

No Action Required. It's That Simple.

Retiring or leaving your BART employer? Got money in your BART 457(b) Deferred Compensation or 401(a) Money Purchase Pension Retirement Plans? ***No Problem.***

What happens when I am no longer working for BART?

Whether you are retired or leaving employment from BART, if your balance in your BART Retirement Plans (DC 457 MPP 401) is \$1,000 or over, your money will stay in plan – No action is needed! You can simply leave your money in the plan until you are age 73 when you will be required by the Internal Revenue Service (IRS) to take a minimum distribution. You will also have other withdrawal options.

Keeping your money in your BART Retirement Plans may provide you with potentially more cost-effective retirement opportunities than rolling your money into a traditional IRA. You may also continue to change your investment selections, choosing from the options within the BART investment lineup. You'll have access to your plan website and online tools, your local Retirement Plans Specialists, CERTIFIED FINANCIAL PLANNER™ professionals and will receive quarterly statements.

BART Retirement Plans include:

- BART Deferred Compensation (DC) – 457(b) Plan
- BART Money Purchase Pension (MPP) – 401(a) Plan



Why stay with BART Retirement Plans? We have seven reasons.

You do not have to take your money out of BART Retirement Plans when you retire or terminate employment. You can leave your money in the plan until you are age 73, when you will be required to take minimum distributions (based on IRS rules).



Low Fees



Tax-Efficient
Compounding



MissionSquare
Retirement
Team



Investment
Options



Distribution
Options



Convenient
Account
Access



Consolidation
Options

Seven Reasons to Stay

1 Low Fees

BART Retirement Plans offer you **low administrative fees and investment products that are competitively priced** relative to similar investment options offered in the retail market. Lower fees allow you to keep more of your retirement money working for you. The current monthly administrative fee is \$7.00 per plan. More information on fees can be found by visiting www.bartipc.org.



2 Tax-Efficient Compounding

By leaving your money in your BART Retirement Plans, you enjoy the **benefits of tax-deferred saving**. You pay no federal income taxes on the money in your account and the earnings – until you receive it. There is also the option to make after-tax Roth contributions where the earnings may be distributed tax-free. Plan also offers an annual buy-back program which allows eligible employees to contribute the after-tax value of sick, vacation, and floating holiday time into the BART 401(a) Retirement Plan.

Consider the growth potential of your account. If you do not take a withdrawal, you continue to earn interest on your money. And then that interest earns interest. That's called compound interest, and it can help your account grow over time.

3 MissionSquare Retirement Team

BART Retirement Plans are serviced by knowledgeable, **Retirement Plans Specialists and CERTIFIED FINANCIAL PLANNER™ professionals** of MissionSquare Retirement, who are dedicated to supporting the plans and providing education. They are available – at no additional cost to you – to keep you up to date on how to best plan for, transition to, and live in retirement. Visit www.bartipc.org, click on Learn More, then schedule your appointment with a Retirement Plans Specialist, CERTIFIED FINANCIAL PLANNER™ professional, or call toll-free **1-833-538-BART (2278)** to contact your local representative.

4 Investment Options

BART Retirement Plans offer a variety of investment options to help meet your needs from early savings and accumulation goals to stable value and income goals. After separating from employment, you can continue to manage your investments in your account just as you did before. **The investment options are organized into three pathways:**

- Do-it-for-me (Target Date Funds).
- Help-me-do-it (Asset-Class Funds).
- Do-it-myself (Self-Directed Brokerage).¹

For more information please visit the IPC website.

¹Charles Schwab & Co., Inc. and MissionSquare Retirement are not affiliated and are not responsible for the products and services provided by the other. Schwab Personal Choice Retirement Account® (PCRA) is offered through Charles Schwab & Co., Inc. (Member SIPC), the registered broker/dealer, which also provides other brokerage and custody services to its customers.

Seven Reasons to Stay continued

5 Distribution Options

BART Retirement Plans offer a variety of **distribution options to suit your needs, including installment payments and partial withdrawals**. You can change your distribution option at any time as long as you begin receiving payments the year after turning age 73 (based on IRS rules) or when you separate service if after age 70 ½.

Distribution options include:

- A variety of distribution options.
- Full lump-sum distribution.
- Partial lump-sum distribution.
- Installment payments (monthly, quarterly, semiannually, or annually).
- Partial lump-sum distributions combined with installment payments.
- Full or partial rollover to another plan or IRA, including a Roth IRA
- Any buy back funding (post-tax money) must be cashed out, cannot be rolled over into another account.

For additional information on taking distributions and any penalties that may apply, please contact a BART Participant Services Representative toll-free at **1-833-538-BART (2278)**.



6 Convenient Account Access

Easy account access, 24/7 at www.bartipc.org or 1-833-538-BART (2278)

- Manage your account information online or through the BART Dedicated Call Line.
- Rebalance or reallocate account balances.
- Download forms and stay up to date on plan rules.
- Download account data to Quicken.®



7 Consolidation Options

By rolling assets from other eligible retirement plans² or traditional IRAs into your BART Retirement Plans, you can put **all your retirement savings conveniently in one place**. What's more, all seven reasons to stay apply.

The plans accept incoming roll-ins of pre-tax money from other eligible retirement plans such as 401(a), 401(k), 403(b), 457(b), or traditional IRA Plans. In addition, the plans will accept after-tax roll-ins if detailed instructions are provided.

²The plan will accept incoming roll-ins at any time as long as a balance is maintained after termination.

Protect Your Plan Benefits

How do I protect my plan benefits?

There are steps you can take to protect your benefits, including comparing your BART Retirement Plans fees to alternate savings options. Your Retirement Plans Specialists can assist with reviewing your options.

When you leave employment, and particularly if you are preparing for retirement, you may be contacted by professionals seeking to sell you insurance, annuities, and other investment products. They may encourage you to move your money from your BART Retirement Plans by using aggressive sales tactics and the promise of higher returns. Before you make a decision, it's important to make sure your best interests are being served. You have the option to keep your money with BART and also roll in outside funds to your BART Retirement Plans, thereby consolidating your retirement accounts. Alternatively, you may choose to withdraw all funds from your BART Retirement Plans. Be sure to examine any fees and expenses associated with the option you choose.

You can leave your money in your BART Retirement Plans for life. If you're considering a change, meet with your Retirement Plans Specialists to discuss your next steps. Always remember that it's your money. You are under no obligation to transfer or move your retirement plan savings out of your BART Retirement Plans. There are many potential benefits to keeping your money in your BART plan after you have separated or retired. Your Retirement Plans Specialists are salaried plan representatives – this means they don't profit by selling you investment and advice products. They provide education and personalized assistance when you need it, at no additional cost to you.

BART is committed to providing you with the best value in plan features and investment options while also negotiating competitive pricing when it comes to your plan fees. Competitively priced plan fees are important because over time these fees can have a major impact on your investment portfolio.

The chart on the following page serves as a starting point to help you make a more informed decision about your retirement plan savings. Take time to compare your options before making a decision about where to keep your retirement savings.

Before taking your money out of your plan, be sure to:

- Familiarize yourself with any possible tax implications.
- Consult with a Retirement Plans Specialist to review your options.
- Compare BART Retirement Plans fee services to the other plan fee services.



Compare Your BART Retirement Plans to Alternate Savings Plan Options

Feature	Your BART Plan	Ask Yourself the Following About Alternate Plans
Plan Administrative Fees Charged for administration, management, maintenance, and service (Fees reduce your savings and add up over time.)	Your BART Retirement Plans administrative fee is a flat fee of \$7 per plan, per month.	Do I understand the other plan's fees and how they compare to BART Plan fees?
Fund Operating Expense (Expense Ratio) Annualized asset-based expenses that can change from time to time; expressed as a ratio (expenses divided by net assets)	Investments in your BART Plans are carefully reviewed and selected for participant sustainability and competitive pricing. The plan expense ratios are lower than average.	Are they competitively priced? Carefully review expense ratios associated with retirement products being offered. Beware of hidden costs in investment products outside your plan, including operating expenses and commissions.
Dedicated Retirement Plans Specialists Your MissionSquare Retirement Plans Specialist is motivated every day to help you build a path to financial security.	The BART Plans provide you with local representatives who provide personalized, one-on-one assistance, investment education, account management, how much to save and a pre-retirement checkup at no additional cost.	Will I receive personalized, one-on-one assistance when I need it? Is there a cost? Will I have local support when I want to meet in person?
CERTIFIED FINANCIAL PLANNER™ professional (CFP®) MissionSquare's Financial Planning Services are designed to help participants effectively navigate to and through their retirement. Our CERTIFIED FINANCIAL PLANNER™ professionals work with participants to understand their goals and provide education and resources to meet their needs.	In your BART Plans, a CFP® is available to assist you with financial topics that affect retirement savings, such as estate planning, saving for education, taxes, Required Minimum Distributions, and setting long-term financial goals. Our CFP® professionals are available virtually in group and one-on-one meetings, enabling them to reach more of your participants, more often. With all financial planning consultations and seminars delivered either over the phone or with video conferencing capabilities, we can better accommodate an employee's spouse, significant other, or household in virtual meetings for more effective financial planning discussions and have more flexible hours to accommodate alternative work schedules. CFP® team does not earn commissions by selling any product. Already have a CFP®? No problem! Get a second opinion on where you stand on your retirement savings.	Will I have access to a CERTIFIED FINANCIAL PLANNER™ professional for help with my personal finances? Some alternate providers offer CFP® services, but at a substantial cost.
Customized Education Resources Dedicated plan website, education materials, interactive online calculators, videos, and other tools	Your BART Plans offer a variety of custom education materials, forms, interactive calculators, webinars and other tools. Visit www.bartipc.org .	What education resources will be available to me with another provider?
Plan Oversight Dedicated plan oversight to ensure your best interests are served (seeks best value and suitable investment options; negotiates competitive pricing)	Yes, BART has a dedicated Investment Plans Committee. They seek out diverse investment options for plan participants and negotiate competitive pricing.	Is there oversight by a committee and consultant in an alternate plan?
Diversified Investment Options Plan investments carefully reviewed and selected	Core investments are selected and reviewed by the BART Investment Plans Committee. In addition to core investments, a self-directed brokerage account option is made available through the Plans' recordkeeper. The BART Investment Plans Committee does not select or have any oversight responsibilities regarding any investments available through the brokerage option.	Are the investments in an alternate plan suitable to my situation? Are there any hidden fees?
12b-1 Distribution Fees Charged to cover marketing costs and expenses for distributing their product	None.	Do alternate plans have 12b-1 distribution fees? If so, are they used as commission?

Additional Information

What are my withdrawal options once I am no longer working for BART?

Your retirement plan offers a variety of distribution options to suit your needs. Most distribution options can be changed at any time. You can log in to your account to request a distribution by visiting your plan's website at www.bartipc.org and selecting your plan or by calling toll-free **1-833-538-BART (2278)**.

Instead of rolling assets out of your BART Retirement Plans, you can maintain your accounts and start distributions when the time is right for you.

No IRS early-withdrawal penalty for distributions from your 457(b) Plan. Unlike many retirement savings plans, there is generally no early-withdrawal penalty for distributions from the 457(b) Plan. Once you leave employment with the employer that sponsors the plan, you may take distributions from the plan, regardless of your age.

Distributions are generally subject to federal income tax and state income tax, depending on the state in which you reside at the time of distribution. Roth (after-tax) contributions and earnings may be withdrawn tax free as long as certain requirements are met.

Are there other contributions I can make to the plans?

BART offers an annual buy-back program that allows eligible employees to contribute the after-tax value of sick, vacation, and floating holiday time into the BART 401(a) Retirement Plan. Eligibility is based on union representation, or nonrepresented status, and criteria that are different for the three buy-back programs. Forms are distributed by the BART Benefits Office annually to eligible employees.

May I transfer or roll in my account if I leave BART?

If you leave employment, you may roll in your account balance to an eligible retirement plan such as a 401(a), 401(k), 403(b), 457(b), traditional IRA, or one that accepts such roll-ins.

Note: Check with the plan that you are rolling into to ensure it accepts such roll-ins.

Educational Opportunities

To help you reach your long-term financial goals, meetings and webinars are held throughout the state on a variety of topics, including investment basics, retirement planning, retirement distribution strategies, managing your account online, and more. To see a schedule of meetings and webinars, visit the calendar of upcoming events on the plan website.

Easy Account Access, 24/7

www.bartipc.org

1-833-538-BART (2278)



