



## MTA Deferred Compensation 401(k) and 457 Plans

You worked hard for your money, and now you've reached the golden years of retirement. Having participated in the MTA's Deferred Compensation 401(k) and 457 Plans, you have saved and invested for the retirement of your dreams.

### What are the 401(k) and 457 Plans?

Deferred compensation plans are one of the best ways to save money for retirement and one of the few methods that is available to defer income taxes. The 401(k) and 457 Plans offered you the opportunity to achieve your retirement goals by offering pre-tax deferrals and earnings through convenient payroll deductions.

You decided what percentage of annual earnings you wished to contribute for your retirement needs. The money you contributed went into your account, in the investment options of your choice, before any taxes were deducted from your wages. Every dollar that went into your account was one less dollar that you had to report to the IRS as income. The earnings also grew tax deferred. While in retirement, you pay taxes on earnings when you withdraw the money. Generally the taxes are less due to your new income tax bracket.

### What are the differences in the two plans?

	<u>401(k)</u>	<u>457</u>
<b>Portability:</b>	<ul style="list-style-type: none"> <li>• Can be rolled over to another qualified plan.</li> <li>• Can be rolled over to an IRA.</li> </ul>	<ul style="list-style-type: none"> <li>• Can be rolled over to another qualified plan.</li> <li>• Can be rolled over to an IRA.</li> </ul>
<b>Payout Options:</b>	<ul style="list-style-type: none"> <li>• Lump sum</li> <li>• Partial lump sum</li> <li>• Periodic payments</li> <li>• Annuity payments</li> </ul>	<ul style="list-style-type: none"> <li>• Lump sum</li> <li>• Partial lump sum</li> <li>• Periodic payments</li> </ul>
<b>Taxes upon Disbursement:</b>	<ul style="list-style-type: none"> <li>• IRS income taxes apply.</li> <li>• If withdrawn before age 59 1/2, a 10% IRS penalty tax <i>may apply</i></li> </ul>	<ul style="list-style-type: none"> <li>• IRS income taxes apply.</li> <li>• No 10% IRS penalty tax.</li> </ul>

### What are my investment opportunities?

Financial advisors will tell you that no single investment option is best suited for all economic conditions. Your deferred compensation plans offer you a choice of funds in which to invest.

#### A. Target-Year Lifecycle Fund

Lifecycle Funds named for the year in which a participant expects to start withdrawing money, including an Income Fund, are available for investment.

- **Income Fund** – appropriate for conservative and retired participants
- **2015 Fund** – for participants who expect to begin withdrawing money in 2015

- **2025 Fund** – for participants who expect to begin withdrawing money in 2025
- **2035 Fund** – for participants who expect to begin withdrawing money in 2035

B. Build your own portfolio

If you **did not** select a Target-Year Lifecycle Fund portfolio, you may design your own by allocating your assets in one, some, or all of the following investment options:

<u>Investment Type</u>	<u>Investment Name</u>	<u>Ticker Symbols</u>
<i>Stable Value</i>	MTA Stable Value Fund	N/A
<i>Bond</i>	PIMCO Total Return – Inst	PTTRX
<i>Large-Cap</i>	American Funds Investment Co. of America Jennison Growth Fund Z Smith Barney Aggressive Growth Fund – Y Vanguard Institutional Index Fund	AIVSX PJFZX SAGYX VINIX
<i>Mid-Cap</i>	Turner Mid Cap Growth Fund Jennison Equity Opportunity Fund Z	TMGFX PJGZX
<i>Small-Cap</i>	AIM Small Cap Growth Fund – Inst'l Royce Low-Priced Stock Fund	GTSVX RYLPX
<i>International</i>	Strategic Partners International Value Fund William Blair International Growth Fund	PISZX BIGIX
<i>Target-Year Lifecycle</i>	Income Fund 2015 Fund 2025 Fund 2035 Fund 2045 Fund	N/A N/A N/A N/A N/A

## Fees

There are two basic types of fees: Recordkeeping/Administrative Fees and Investment management fees.

Administrative fees cover the costs of running the Plans on a day-to-day basis, such as maintaining the Plans' account records, processing payroll contributions and investment elections, preparing and mailing quarterly statements, providing an automated telephone system, etc.

Investment management fees pay the fund company that manages the money. The fees are composed of the "Operating Expense" and the "Distribution Fee." The operating expense pays for the fund managers, researchers, brokers and analysts who manage the assets and conduct the trades of securities for the fund. The distribution fee pays for the cost to distribute or sell the fund.

**KeyTalk® Menu**  
**1-866-MTA-PLNS**

**KeyTalk® will walk you through all the steps required to access your account(s). Once the account is selected, the following prompts will provide you access to the following information.**

**Press:**

**1 → Obtain Fund information**

- 1 → Interest rates
- 2 → Daily units/share values
- 3 → Investment option codes

**2 → Access Account Information**

- 1 → Account balance
  - 1 → Balance by investment option
- 3 → Current custom transfer amounts and percentage
- 4 → Contribution history
- 5 → Transaction activity

**3 → Change Your Account**

- 2 → Transfer funds between investment options\*\*
- 3 → Set-up a customized transfer\*\*

**4 → Personalize your PIN**

**0 → Speak to a Customer Service Rep**

**\* → Return to the Main Menu**

**\*\*Exchanges made after 4:00 PM EST will be processed the next business day**

**How do I retrieve my PIN?**

If you forget your PIN number, you can order a new one through the Web site, or call 1-866-MTA-PLNS and speak to a representative to request a new PIN. FASCorp will need your social security number, address and birth date for verification.

**What are Quarterly Statements?**

Quarterly Statements are mailed to your home in the month following the end of each quarter. They show the individual gains, losses and interest earned for the quarter and details all contributions to help you keep track of your retirement savings.

## **Additional Information**

**Customer Service/Voice Response Service**  
**Web site**

**866-MTA-PLNS**  
**[www.mtadefcomp.com](http://www.mtadefcomp.com)**

- Administrative forms
- Answers to general inquiries
- Information about your plan

Susan Johnson, a representative from FASCorp (Deferred Compensation vendor), will be at 180 Livingston Street, 6<sup>th</sup> floor orientation/training room, on Mondays between 1-4pm. If you have questions on your deferred compensation plan, please call Susan Johnson at (718) 832-8541 for an appointment.

You can also contact FASCorp at (866) 682-7567 or go online at [www.mtadefcomp.com](http://www.mtadefcomp.com) for more information.