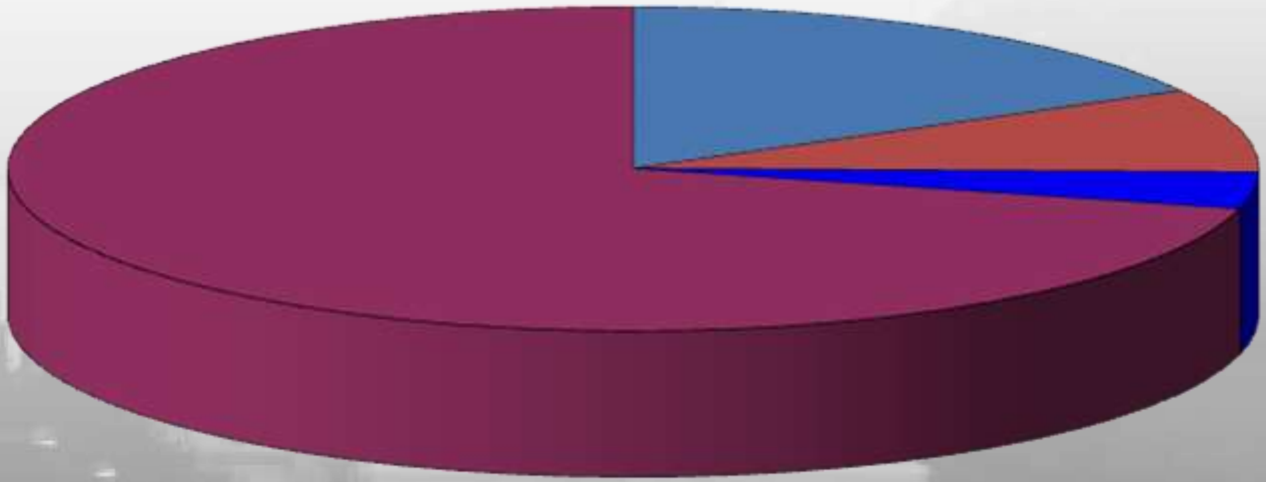
Planning for Retirement:
What You Need to Know About Social Security

Online: socialsecurity.gov

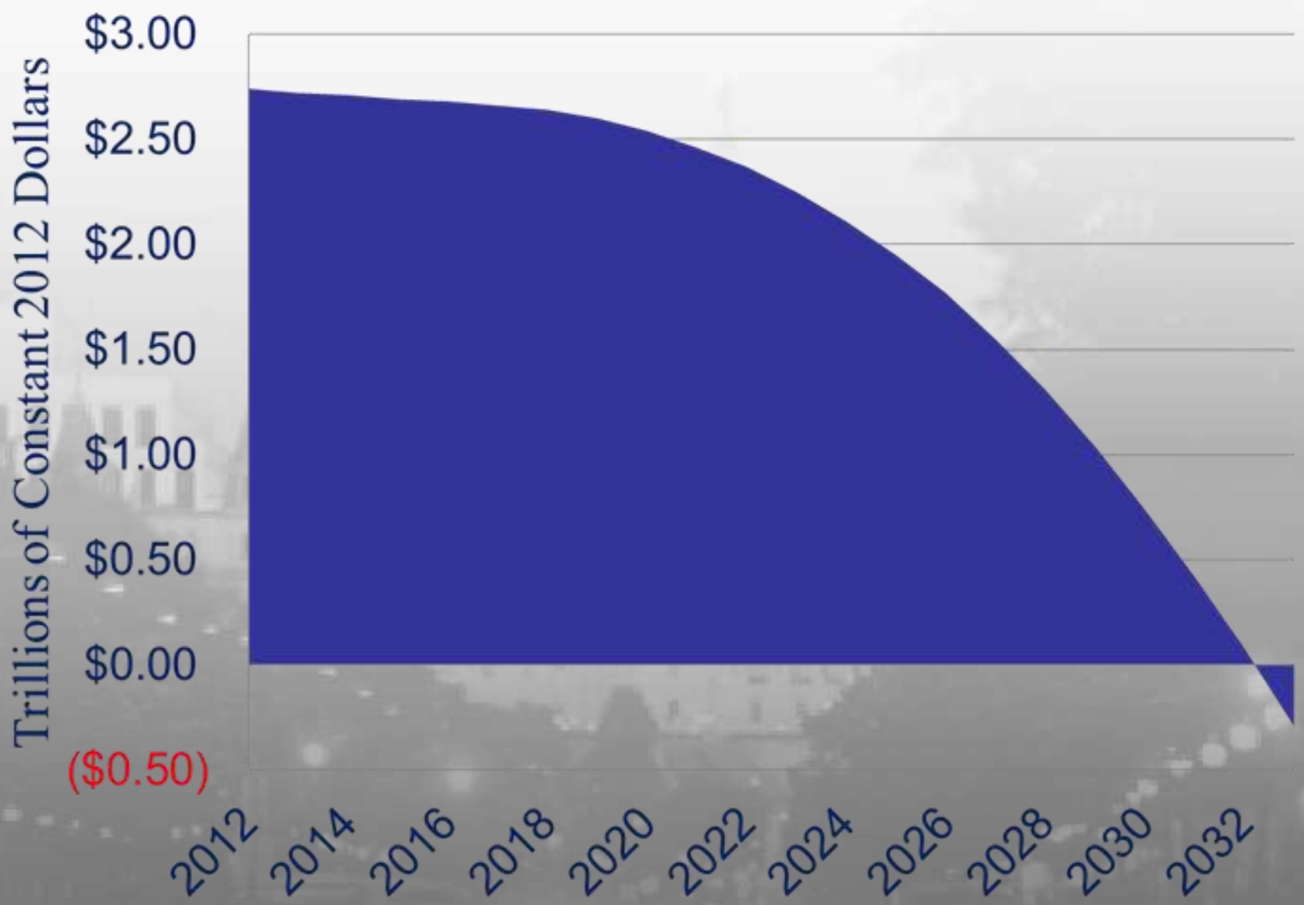
Who Gets Social Security Benefits?

58 million people



- 8.9 million Disabled Workers and 2 million Dependents
- 4.3 million Widows/Widowers
- 1.9 million Children of Deceased Workers
- 38 million Retired Workers and 3 million Dependents

Social Security Trust Funds Can Only Pay $.77 for $1 of Scheduled Benefits After 2033



Save for a Secure Future

- Social Security is the foundation for a secure retirement, but you also will need other savings and investments.

- If you want to learn more about how and why to save, visit www.mymoney.gov.

Qualifying for Retirement Benefits

- You need to work to earn Social Security “credits.”
- Each $1,220 in earnings gives you one credit.
- You can earn a maximum of 4 credits per year.

Example: To earn 4 credits in 2015, you must earn at least $4,880. Earning 40 credits (10 years of work) throughout your working life will qualify you for a retirement benefit.

How Social Security Determines Your Benefit

Social Security benefits are based on earnings:

- ***Step 1***: Your wages are adjusted for changes in wage levels over time.
- ***Step 2***: Find the monthly average of your 35 highest earnings years.
- ***Step 3***: Result is "average indexed monthly earnings."

Full Retirement Age

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943-1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 or Later	67

Your Age at the Time You Elect Retirement Benefits Affects the Amount

For example, if you were born from 1943-1954:

- ***Age 62***: 75% of benefit
- ***Age 66***: 100% of benefit
- ***Age 70***: 132% of benefit

You Can Work & Still Receive Benefits

If you are:	You can make up to:	If you make more, some benefits will be withheld:
Under full retirement age	$15,720/yr. ($1,310/mo.)	$1 for every $2
The Year Full Retirement Age is Reached	$41,800/yr. ($3,490/mo.)	$1 for every $3
Month of Full Retirement Age and Above	No Limit	No Limit

Your Benefits May Be Taxable

Individual Tax Return:

- ***$24,999 or Less***: No Federal tax on Social Security benefit
- ***$25,000-$34,000***: Pay Federal tax on 50% of Social Security benefit
- ***More than $34,000***: Pay Federal tax on up to 85% of Social Security benefit

For more information, you may call the IRS toll free at:

1 (800) 829-3676

Your Benefits May Be Taxable

Married Couple, Filing Jointly:

- ***$31,999 or Less***: No Federal tax on Social Security benefit
- ***$32,000-$44,000***: Pay Federal tax on 50% of Social Security benefit
- ***More than $44,000***: Pay Federal tax on up to 85% of Social Security benefit

For more information, you may call the IRS toll free at:

1 (800) 829-3676

In Addition to the Retiree, Who Else Can Receive Benefits?

Your Child:

- Not married under 18 (under 19 if still in high school)
- Not married and disabled before age 22

Your Spouse:

- Age 62 or older
- At any age, if caring for a child under age 16 or disabled

In Addition to the Retiree, Who Else Can Receive Benefits?

Your Ex-Spouse:

- Marriage lasted at least 10 years
- Ex-spouse 62 or older and unmarried (you can be married).
- Divorced at least two years and you and your ex-spouse are at least 62, he or she can get benefits even if you are not retired.
- Ex-spouse's benefit amount has no effect on the amount you or your current spouse can get.

Spousal Benefits

Scenario 1: Two spouses, both worked, had about same amount of earnings:

- A will get $2,000 at Full Retirement Age (on own earnings record)
- B will get $1,800 at Full Retirement Age (on own earnings record)

In this case, they will get benefits on their record because their own benefits will be higher than the benefits as a spouse.

Spousal Benefits

Scenario 2: Two spouses, both worked, one only worked part time:

- A will get $2,000 at Full Retirement Age (on own earnings record)
- B will get $500 at Full Retirement Age (on own earnings record)
- Social Security will compare B's own amount of $500 to the $1,000 as a spouse.

In this case, A will get $2,000 on own record. B will get $1,000 ($500 on own record, and an adjustment of $500 from spouse's record)

Spousal Benefits

Scenario 3: Two spouses, both worked, one only worked part time:

- A will get $2,000 at Full Retirement Age (on own earnings record)
- B will get $1,000 at Full Retirement Age (on spouses' record)

Use the Retirement Estimator

- Convenient, secure and quick financial planning tool
- Immediate and accurate benefit estimates
- Lets you create “What-If” scenarios based on different ages and earnings

What Will You Need When Applying for Your Social Security Benefits?

- Social Security number for each applicant
- Proof of age (*only if date of birth allegation doesn't match Social Security records*)
- Latest W-2 or self-employment tax return
- Earnings estimate (if you are under Full Retirement Age)
- Bank information for direct deposit
- Information about marriages/divorces

Windfall Elimination Provision

- If any part of your pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.

Government Pension Offset (GPO)

- If you receive a government pension based on work not covered by Social Security, your Social Security benefits as a spouse or widow(er)'s benefits may be reduced.
  - Your spouse's own Social Security benefits will not be affected.

Government Pension Offset (GPO)

Applies ***only*** to your benefits as a spouse:

- 2/3 of government pension amount will be used to reduce your Social Security benefits as a spouse.
- **Example**: 2/3 of $1,200 government pension = $800
  - Your benefits as a Spouse = $750
  - No benefit payable by Social Security
- Our GPO calculator allows you to estimate your Social Security benefit.
  - Available online at http://www.ssa.gov/retire2/gpo-calc.htm.

Who Can Get Medicare?

- 65 & older
- 24 months after entitlement to Social Security disability benefits
- Amyotrophic Lateral Sclerosis
- Permanent kidney failure and receive maintenance dialysis or a kidney transplant
- Exposure to Environmental Health Hazards*

**new legislation*

Medicare Coverage

- **Part A: Hospital Insurance**
  - Covers most inpatient hospital expenses
  - 2015 Deductible = $1,260
- **Part B: Medical Insurance**
  - Covers 80% doctor bills and other outpatient medical expenses after first $147 in approved charges
  - 2015 Standard Monthly Premium = $104.90
- **Part D: Medicare Prescription Drug Plan**
  - Covers a major portion of prescription drug costs for Medicare beneficiaries
  - Enroll with Medicare prescription drug provider not SSA
  - Annual enrollment period (October 15 through December 7)

When Can I Sign Up for Medicare Part B?

Medicare Enrollment Periods:

- *Initial*: At age 65
- *Special*: If still working
- *General*: January-March

For More Medicare Information

Phone: 1-800-MEDICARE, (1-800-633-4227)

TTY: 1-877-486-2048

Website: www.medicare.gov

socialsecurity.gov

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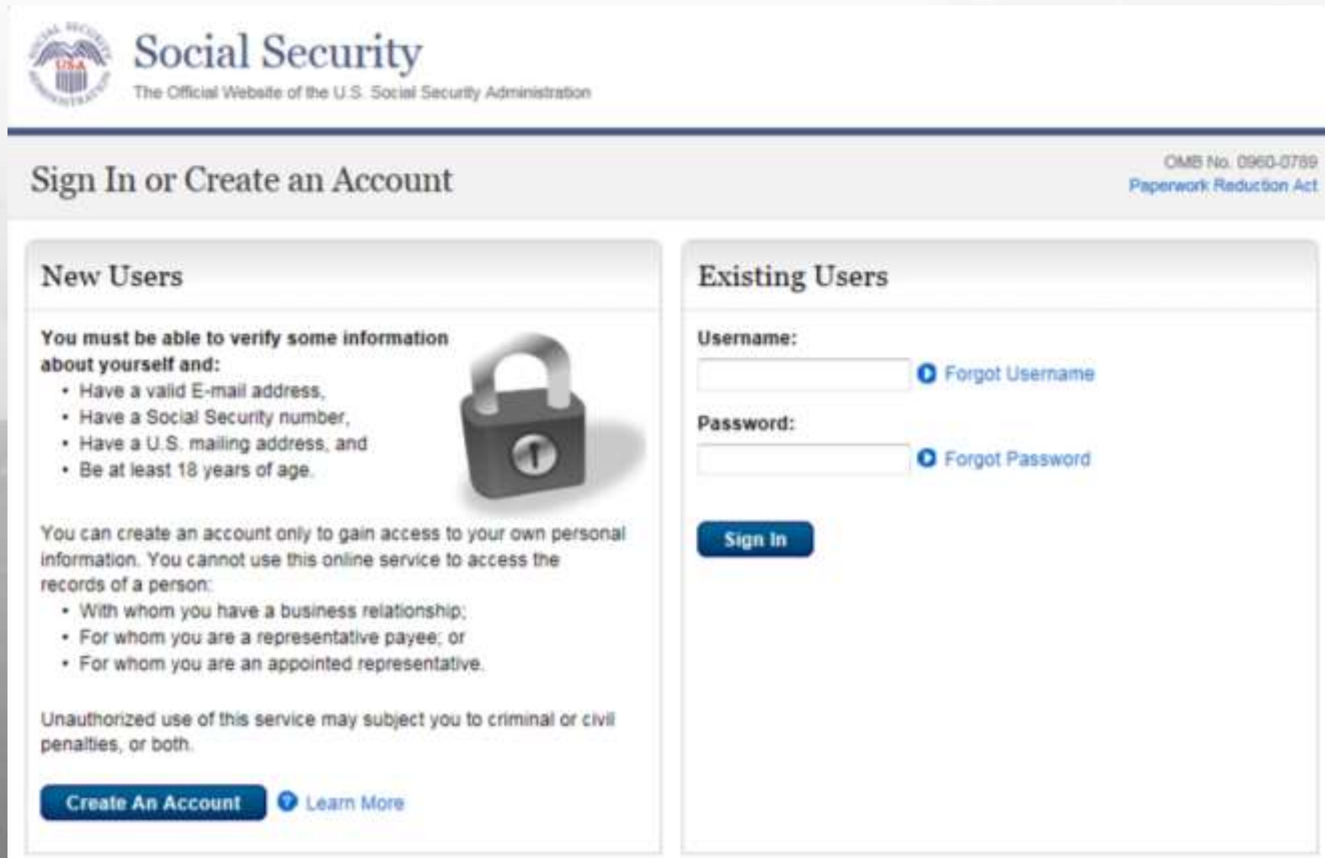


socialsecurity.gov

Text Size Accessibility Help

Social Security
The Official Website of the U.S. Social Security Administration

Create an Account

OMB No. 0960-0789
Paperwork Reduction Act

Terms of Service

You must be able to verify some information about yourself and:

- Have a valid E-mail address,
- Have a Social Security number,
- Have a U.S. mailing address, and
- Be at least 18 years of age.

You can create an account only to gain access to your own personal information. Even with a person's written consent, you cannot use this online service to access the records of a person:
- With whom you have a business relationship; or
- For whom you are an appointed representative.
Unauthorized use of this service may subject you to criminal or civil penalties, or both.

What will we do with your information?

We use the information you give us to verify your identity. We verify the information you give us against our records. We also use Experian, an external authentication service provider, to help us verify your identity. Experian verifies the information you give us against their records. We do not share your Social Security number with Experian. Experian keeps your information only for the time period permitted by Federal laws, Regulations, or guidelines. We use Experian's fraud prevention services to protect you from identity theft.

When we make a verification request to establish your account, Experian may use information from your credit report to help verify your identity. As a result, you may see an entry called a "soft inquiry" on your Experian credit report. This will show an inquiry by the Social Security Administration with our address and the date of the request. Soft inquiries do not affect your credit score, and you do not incur any charges

Your privacy is important.
For details about our use of your information, we encourage you to read our Privacy Act Statement.

socialsecurity.gov

- For whom you are an appointed representative.

Unauthorized use of this service may subject you to criminal or civil penalties, or both.

What will we do with your information?

We use the information you give us to verify your identity. We verify the information you give us against our records. We also use Experian, an external authentication service provider, to help us verify your identity. Experian verifies the information you give us against their records. We do not share your Social Security number with Experian. Experian keeps your information only for the time period permitted by Federal laws, Regulations, or guidelines. We use Experian's fraud prevention services to protect you from identity theft.

When we make a verification request to establish your account, Experian may use information from your credit report to help verify your identity. As a result, you may see an entry called a "soft inquiry" on your Experian credit report. This will show an inquiry by the Social Security Administration with our address and the date of the request. Soft inquiries do not affect your credit score, and you do not incur any charges related to them. Soft inquiries are displayed in the version of the credit profile viewable only to consumers and are not reported to lenders. The soft inquiry will not appear on your credit report from Equifax or TransUnion, and will generally be removed from your Experian credit report after 25 months. Once you have registered for an online account, you will not generate additional soft inquiries by logging in to access our services.

What happens if you provide false information or misuse this service?

You may be subject to criminal or civil penalties, or both, if you provide false or misleading statements to sign in or create an account or engage in unauthorized use of this service.

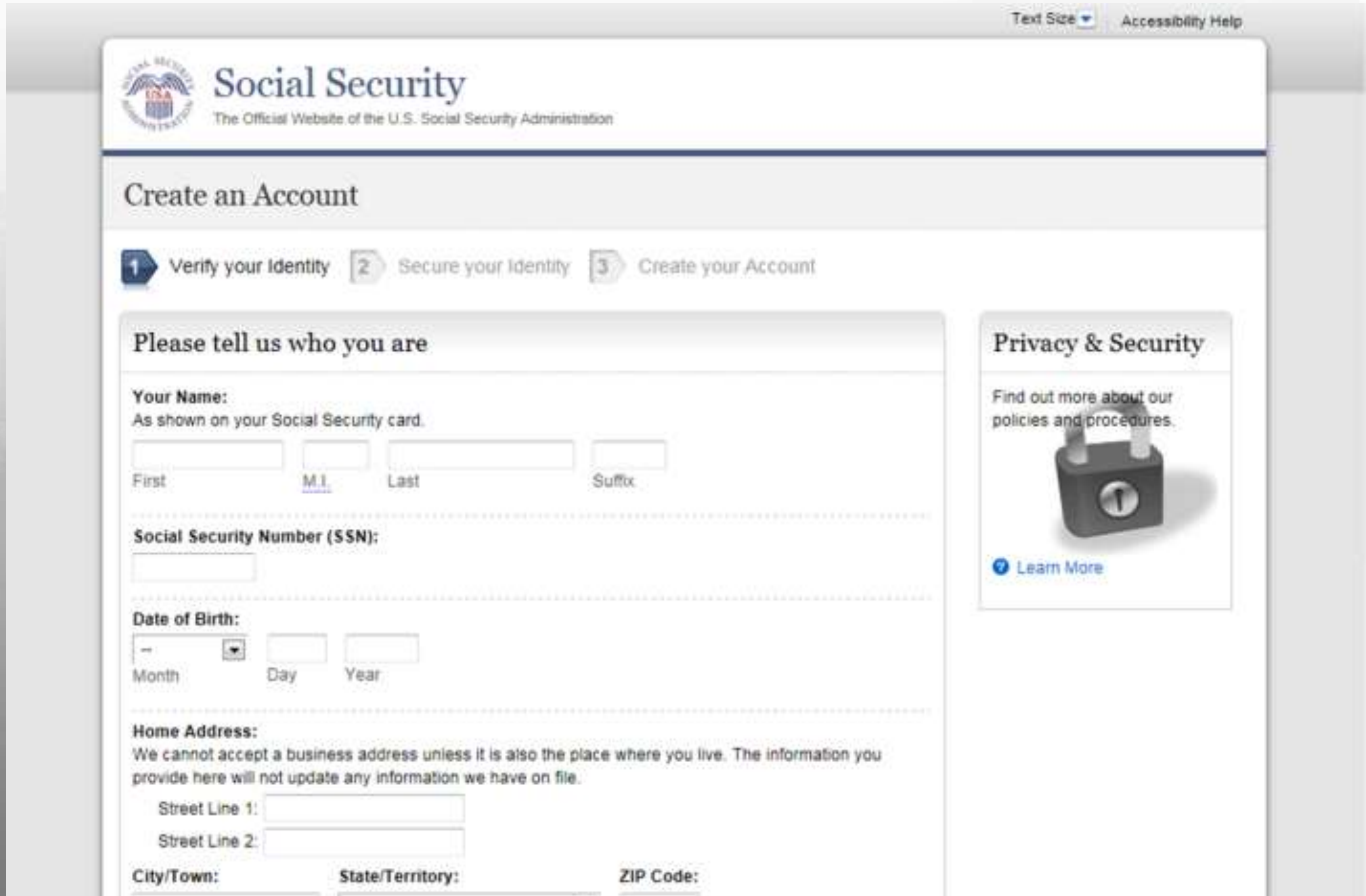
Who is responsible if the device you are using is not adequately safeguarded?

You assume responsibility for the disclosure of your personal information if the computer or other device that you are using to access the MySocialSecurity application does not adequately safeguard your information. You also understand that Social Security is not responsible for the disclosure of your information due to your negligence or for the wrongful acts of others.

- [x] **I agree to the Terms of Service.**

Next Exit

socialsecurity.gov



How Social Security Can Help You Plan for Retirement

- Find Social Security Webinars online at www.socialsecurity.gov/socialmedia/webinars
- *How Social Security Can Help You Plan For Retirement Webinar*: http://www.socialsecurity.gov/multimedia/video/financialplanning

DC

401(a) RETIREMENT PLAN

DC 401(a) Retirement Plan Summary

- **The DC 401(a) Retirement Plan**
  - Employer Contributions
- **Social Security**
  - Employer Contributions
  - Employee Contributions
- **The DC 457 Deferred Compensation Plan**
  - Employee Contributions

Plan Features

- **Eligibility**
  - Employees are eligible to participate and are automatically enrolled upon completing 1 year of creditable service
    - The Plan excludes police officers, firefighters, teachers and civil service employees
  - Three months prior to eligibility, Voya will mail new participants the following:
    - Enrollment Kit
    - Personal Identification Number (PIN)
  - Upon enrollment, the District will make bi-weekly contributions for participants each payroll depending on their position:
    - 5% of annual base salary (except detention officers)
    - 5.5% of annual base salary (detention officers only)

Plan Features

- **Vesting Schedule**
  - Employees become vested upon completing the following creditable service in covered employment, permanent disability or death while employed
  - Vesting is how much of the money is the employee's

Length of Service	Vesting
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years or more	100%

  - Vested date is determined by the DC RBCD (Retirement Benefits Compensation Date)

Closing Your Retirement Income Gap

DCPLUS is an effective way to address the potential "income gap" AND save for your retirement

What is DCPLUS?

- Voluntary plan
- Permitted and regulated by Internal Revenue Code 457
- Allows you to defer (save) a portion of your current compensation to a later date through payroll reduction

Why Participate in DCPLUS?

- Helps reduce your current taxable income through pre-tax contributions
- Amounts contributed are tax-deferred
- Any earnings accumulate tax-deferred
- Helps close your retirement income gap

Federal and D.C. income tax is due when amounts are distributed from the Plan.

Eligibility and Contributions

- Minimum deferral of $20 per biweekly pay period ($43 per monthly pay period)
- IRS maximum annual deferral
  - Lesser of 100% of includible compensation or $18,000 for 2015
- Two IRS catch-up provisions available for increased contributions

457 Catch-Up Provisions

457(b) 3-Year Catch-up

- Available in 3 consecutive years prior to attainment of Normal Retirement Age
- Maximum is the lesser of
  - Twice the normal annual contribution limit ($36,000 for 2015)
  - The normal annual limit plus underutilized amounts from prior years

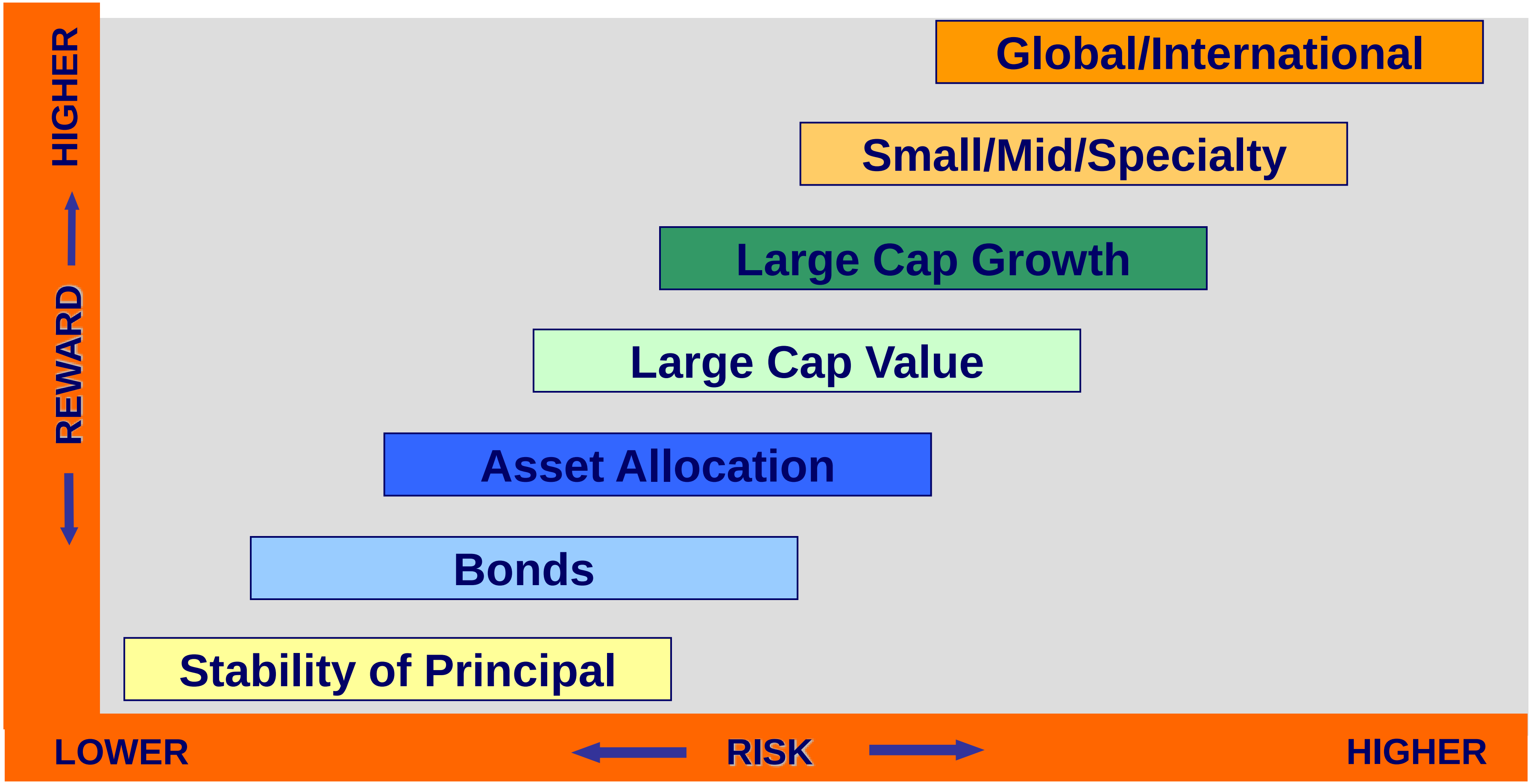
Age 50+ Catch-up

- Available each year beginning in year participant reaches age 50
- Normal limit increased by $6,000 (2015)
- Maximum with catch-up is $24,000 (2015)

Cannot use both catch-up provisions in same calendar year. If eligible, you must utilize the catch-up provision which provides the greater contribution amount.

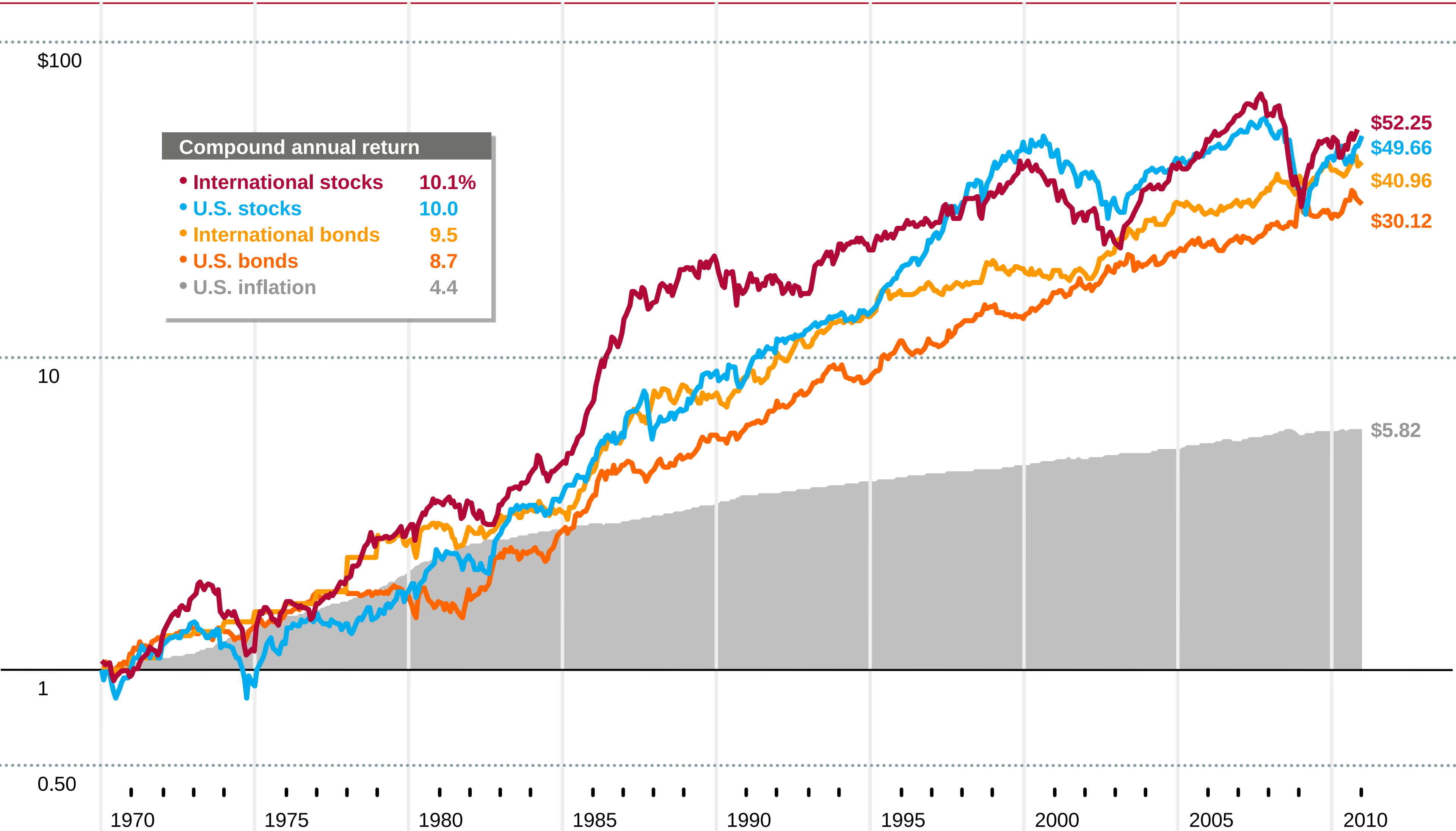
Range of Asset Classes

Covers the potential risk/reward spectrum



Ibbotson® SBBI®

Stocks, Bonds, Bills, and Inflation 1970–2010



Past performance is no guarantee of future results. **Hypothetical value of $1 invested at the beginning of 1970. All values in U.S. dollars. Assumes reinvestment of income and no transaction costs or taxes. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index.**

Investment Options

Asset Class	Investment	Expense Ratio	Ticker Symbol
Stable Value	MetLife Stable Value Fund	1.12%	-
Intermediate Term Bond – Active	Western Asset Core Fund	0.75%	WAPIX
Balanced	MFS Total Return Fund	0.77%	MSFRX
Lifecycle	SSgA Target Retirement Income Fund	0.525%	-
	SSgA Target Retirement 2010	0.525%	-
	SSgA Target Retirement 2020	0.525%	-
	SSgA Target Retirement 2030	0.525%	-
	SSgA Target Retirement 2040	0.525%	-
	SSgA Target Retirement 2050	0.525%	-
Large Cap Growth & Income	Invesco Growth & Income Fund	0.84%	-
Large Cap Core Passive	SSgA S&P 500 Index Fund	0.06%	-
Large Cap Growth	American Funds Growth Fund of America	0.69%	RGAEX
Mid Cap Core	Lazard Mid Cap Portfolio Open Fund	1.26%	LZMOX
Aggressive Value	Ariel Fund	1.06%	ARGFX
Aggressive Growth	Ridgeworth Funds	1.24%	SSCTX
International Equity	SSgA International Stock Selection Fund	1.00%	SSAIX
Socially Responsible	Neuberger Berman Socially Responsive Fund	1.06%	NBSTX
Real Estate Investment Trust	SSgA Clarion Real Estate Fund	1.00%	-

Please read all fund materials prior to investing and consult with your investment advisor.
Fund materials can be obtained from the ING Local Office or Call Center at 1-866-772-4012.

Variety of Fund Managers

- Ariel
- American Funds[SM]
- BlackRock
- Brown Capital Management, Inc.
- Edgar Lomax Company
- EARNEST Partners, LLC
- Fidelity Investments®
- Voya Funds
- Pax World
- PIMCO
- Profit Investment Management
- T. Rowe Price
- The Vanguard Group
- Van Kampen

How Should I Invest?

- Evaluate your personal situation
- Consider your time horizon when investing
  - How much time before you begin receiving benefits?
  - How long do you expect your benefit payments to last?
- Determine your tolerance for risk
  - Can you tolerate ups and downs in the short term?
  - Are you willing to take more risk to potentially receive higher returns?

Questions?

Contact DCHR

Benefits & Retirement Administration

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441 4th Street, NW
3rd Floor, Suite 340N

(202) 442-7627

dchr.benefits@dc.gov