

# Rollover Checklist

## City and County of Honolulu Deferred Compensation Plan

### Checklist for Retirees considering Rollover of Funds to Other Accounts

The following checklist is provided to assist you in your evaluation of whether to rollover funds from your City and County of Honolulu Deferred Compensation Plan account to another eligible employer sponsored retirement plan. Although the rollover of funds is not, by itself, a taxable event, or a traditional or Roth Individual Retirement Account/Annuity (IRA), when transferred directly from one plan to another, there can be many consequences related to this action. For example, contributions to 457 plans sponsored by governmental employers are not subject to the IRS 10% premature distribution penalty tax if taken before age 59½ or if another IRS exception applies. By contrast, non-457 amounts rolled into a governmental 457(b) plan and rollover amounts held in a 401(a), 401(k), or 403(b) plan or to a traditional or Roth IRA may be subject to the IRS 10% premature distribution penalty tax unless an IRS-permitted exception applies.

The purpose of this communication is to provide informal assistance in evaluating whether funds should be rolled over to another account. The list below summarizes some of the questions or issues we encourage you to ask of the plan administrator / broker of your new fund(s). For each question below we have also provided information on your incumbent plan for purposes of comparison.

Category – Question / Issue	Additional Information on Your Current Plan
<b>Fund Performance</b>	
<b>Are a broad, diverse variety of funds available to you in your new plan?</b>	Your current plan offers numerous funds in each asset class to help provide variety both within and across asset classes to seek diversification based on individual preferences.
<b>Are funds regularly reviewed against appropriate benchmarks to determine ongoing fund performance?</b>	Your current plan provides a semi-annual fund performance analysis to assure that they remain competitive against their appropriate peer group. Under-performing funds are placed on probation (a watch-list), reviewed quarterly, and then eliminated if performance continues to remain uncompetitive.
<b>Who conducts the review of fund performance?</b>	Your employer has hired the services of a neutral third party consultant (the consultant is not associated with Voya) to perform an independent fund evaluation to help fulfill the Committee's due diligence regarding overall fund performance.
<b>Is fund performance analysis provided to you routinely?</b>	Fund performance is updated monthly and made available to all participants on the custom plan website. Please visit <a href="http://honolulu.beready2retire.com">http://honolulu.beready2retire.com</a> , go to <i>My Retirement Accounts&gt;Investments &amp; Research</i> .
<b>Will your new plan representative/broker review fund performance with you individually and recommend alternative / diverse investments for your consideration?</b>	With your current provider, individuals may contact representatives* to evaluate a) individual funds and b) the overall portfolio to determine whether investments are appropriately diversified, based on retirement objectives and risk tolerance. Investment advice services from a neutral third party (Morningstar)** are also offered to assure that overall portfolio and individual investments are appropriate based on your objectives and needs.



PLAN  
INVEST  
PROTECT



Category – Question / Issue	Additional Information on Your Current Plan
<b>Fund Fees</b>	
<p><b>Will your new plan provide information on all fees that are charged for your investments including:</b></p> <ul style="list-style-type: none"> <li>• Front end sales charges / loads?</li> <li>• Back-end sales charges / loads?</li> <li>• Deferred sales charges?</li> <li>• 12(b)(1), management fees?</li> <li>• Administrative fees (transactions-based, account maintenance, reallocation, fund transfers, etc.)?</li> </ul>	<p>All fees are disclosed to participants upon fund selection and are available thereafter upon request. No commissions or front or back-end loads are charged. Fund fees are updated on a quarterly basis and disclosed to all participants. Please visit <a href="http://honolulu.beready2retire.com">http://honolulu.beready2retire.com</a>, go to <i>My Retirement Accounts&gt;Investments &amp; Research</i>. Please also refer to the individual Fund prospectuses for fund fee information.</p> <p><i>(Click on the fund you are interested in—the fees are noted in the one page fund fact sheet.)</i></p>
<p><b>Will your new plan confirm in writing all fees that are charged for specific funds and services?</b></p>	<p>All fees are disclosed to assure that there are no hidden charges that reduce net return to participant. Voya charges a fee of 0.12% annualized for recordkeeping and administration services. This fee is deducted pro-rata from your investments on a quarterly basis. The fee deduction will appear on your quarterly statement, as well as on the participant website. Fund management fees and other fund operating expenses will apply. Fees depend on the investment option chosen. Please refer to the individual Fund prospectuses for fund fee information.</p>
<b>Educational Services</b>	
<p><b>Does your new plan provide ongoing information and education regarding fund options, investment information, evaluation, legislative changes, etc. to keep you informed?</b></p>	<p>Your current provider offers year-around educational programs to summarize key changes / improvements. Additionally, individual appointments are provided to help assure that individuals receive the general and fund-specific information they need to make informed decisions.</p>
<p><b>How will information be provided in your new plan?</b></p>	<p>Information is provided through a variety of resources. Quarterly newsletters keep you informed about topics of interest and important changes. Additionally, the providers and employer have website resources that offer access to broad information on latest trends, fund performance, self-assessment of risk, identification of risk tolerance, investment advice and other important topics that help you to make choices in the funds in which you invest. Visit <a href="http://honolulu.beready2retire.com">honolulu.beready2retire.com</a>.</p>
<p><b>How will I learn about important legislative changes or changes in the conditions of my investments?</b></p>	<p>Your current provider offers a wide array of information that is specifically targeted to legislative and legal changes that may impact the amount you contribute and receive in distribution, the options that are available to you and the impact those options have on your retirement decisions.</p>

## Questions?

Your local Voya representatives\* are providing in person meetings on an appointment only basis. Telephone appointments may also be made. Individuals are encouraged to call the local office to speak with a Voya representative at **(808) 597-8213**.

In addition to the local office, Voya Customer Service Associates can also help answer your questions. Call **(800) 584-6001** and speak with a Customer Service Associate. Associates are available Monday – Friday, 2:00 a.m. to 3:00 p.m. Hawaii Standard Time (HST), except on New York Stock Exchange holidays.



Please carefully consider the benefits of existing and potentially new retirement accounts and any differences in features. Rollover assets may be subject to an IRS 10% premature distribution penalty tax. Consult your own legal and tax advisors regarding your situation.

\* Investment adviser representative and registered representative of, and securities and investment advisory services offered through, Voya Financial Advisors, Inc. (member SIPC).

\*\* **IMPORTANT:** The projections or other information generated by Morningstar® Retirement Manager<sup>SM</sup> regarding the likelihood of various retirement income and/or investment outcomes are hypothetical in nature, do not reflect actual results (including investment results) and are not guarantees of future results. Results may vary with each use and over time.

Taking into account your personal situation, you may want to consider your options, such as: keeping your assets where they are; withdrawing your assets (taxes are generally due upon withdrawal and any applicable tax penalties that may apply); or you may choose to rollover your assets to an employer-sponsored retirement plan that accepts rollovers, or to another eligible vehicle.

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