

27201 Puerta Real, Suite 465 | Mission Viejo, CA 92691 | 800-770-0457 | FAX: 949-367-1887

- Initial Enrollment       Change in Deferral Amount       Re-Enrollment       Investment Change  
 Change of Address       Beneficiary Change       Name Change       Catch-up Provision

**Section 1: Participant Information**

Name \_\_\_\_\_  
 Last First M.I.  
 Address \_\_\_\_\_  
 Number Street or PO Box  
 City State Zip

Date of Hire \_\_\_\_\_  
 Employee Payroll ID# \_\_\_\_\_  
 Social Security \_\_\_\_\_  
 Date of Birth \_\_\_\_\_  
 Work Phone \_\_\_\_\_  
 Home Phone \_\_\_\_\_  
 Email \_\_\_\_\_

**Section 2: Participant Elections** I wish to contribute \$ \_\_\_\_\_ per biweekly pay period, beginning on payroll # \_\_\_\_\_

- Catch-up: Age 50 and over, up to \$24,500/year       Special 3-year with projected retirement date: \_\_\_\_/\_\_\_\_/\_\_\_\_, up to \$37,000/year

**Section 3: Select Your Investments**

I am an existing participant and I wish to maintain my current contribution elections.

Enter an amount from 1% to 100%. Any percentage remaining will automatically be allocated to the Plan's Stable Value Fund.

**U.S.-Focused Stock Mutual Funds**

Janus Venture T	_____ %
Oakmark Fund I	_____ %
T. Rowe Price New America Growth	_____ %
Vanguard 500 Index Signal Shares	_____ %
Vanguard Mid Cap Index Admiral	_____ %
Vanguard Small Cap Index Admiral	_____ %
T. Rowe Price Value I Class	_____ %
Mass Mutual Select Mid Cap Growth R5	_____ %
Boston Partners Small Cap Value II Inv	_____ %
Wells Fargo Special Mid Cap Value R6	_____ %

**Specialty Stock Mutual Funds**

T. Rowe Price Health Sciences	_____ %
T. Rowe Price New Era	_____ %
Vanguard REIT Index Signal Shares	_____ %
Rydex Inverse S&P 500 Strategy	_____ %

**International Stock Mutual Funds**

American Funds EuroPacific Growth R6	_____ %
Dodge & Cox Global Stock	_____ %
Matthews Asian Growth & Income	_____ %
Oppenheimer International Growth Y	_____ %

**Fixed-Income Mutual Funds**

American Century Ginnie Mae	_____ %
Metropolitan West High Yield Bond M	_____ %
Metropolitan West Total Return M	_____ %
PIMCO Real Return Institutional	_____ %
Vanguard Short-Term Investment Grade Admiral	_____ %

**Stable Value Funds**

Wells Fargo Stable Value Fund Class C	_____ %
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**Total:** \_\_\_\_\_ %

Alternatively, you may elect to invest in one of the following model allocation portfolios professionally designed and maintained by California 457 Benefits:

CA 457 Conservative	[ ]	Least Aggressive
CA 457 Moderate Conservative	[ ]	
CA 457 Balanced Allocation	[ ]	
CA 457 Moderate Growth Allocation	[ ]	
CA 457 Growth Allocation	[ ]	
CA 457 Maximum Growth Allocation	[ ]	Most Aggressive

**Section 4: Designation of Beneficiary** I hereby designate the following beneficiary(ies) (If you wish to designate more, attach instructions.)

Primary Beneficiary(ies)

1. Share % _____	2. Share % _____
Beneficiary SS# _____ Date of Birth _____	Beneficiary SS# _____ Date of Birth _____
Name _____ Relationship _____	Name _____ Relationship _____
Address _____	Address _____
City _____ State _____ Zip _____	City _____ State _____ Zip _____

If you are currently married and have named **any** primary beneficiary other than your spouse, the following consent must be signed by your spouse and witnessed by a plan representative or a notary public: I hereby consent to waive my spousal inheritance rights and agree to the primary beneficiary designation(s) indicated on this form:

Signature of Participant's Spouse \_\_\_\_\_ Date \_\_\_\_\_

This instrument was signed before me on \_\_\_\_\_, \_\_\_\_\_  
 Date CA 457 Plan Representative or Notary Public

Contingent Beneficiary(ies) If no primary beneficiary survives me, I designate the balance of my account assets be distributed to the following:

1. Share % _____	2. Share % _____
Beneficiary SS# _____ Date of Birth _____	Beneficiary SS# _____ Date of Birth _____
Name _____ Relationship _____	Name _____ Relationship _____
Address _____	Address _____
City _____ State _____ Zip _____	City _____ State _____ Zip _____

I elect to participate in the Employers \$457(b) Deferred Compensation Plan and I authorize my employer to reduce my salary by the above amount for credit to my California 457 Benefits deferred compensation account. I have read and understand each of these statements on the front and back of this form, which are intended to comply with section 457 of the Internal Revenue Code. THIS APPLICATION SUPERSEDES ALL PREVIOUS REQUESTS.

Participating Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

CA 457 Representative Signature \_\_\_\_\_

Authorized Signature/Employer \_\_\_\_\_ Date \_\_\_\_\_

## DEFERRED COMPENSATION PLAN MEMORANDUM OF UNDERSTANDING

By signing the participation agreement on the reverse side of this memorandum, the participant agrees to the following:

I understand California 457 Benefits (CA 457) serves as Third-Party Administrator and Investment Advisor to the City of Costa Mesa Deferred Compensation Plan for Public Employees Section 457(b) Governmental & Trust (the "Plan") and can be reached at 800-770-0457. Additional information about CA 457 can be accessed online at [www.ca457.com](http://www.ca457.com). The Charles Schwab Bank, a subsidiary of Charles Schwab Corporation, provides custody and brokerage services for the Plan. Record keeping and internet portal services are performed by Spectrum Pension Consultants, Inc. of Tacoma, WA. Spectrum Pension Consultants may be reached at 800-634-3411 and accessed online with a valid username and password at <https://www.retirementlogin.com/spectrum/>.

I understand that my participation in the Plan is voluntary and governed by the terms and conditions of the Plan Document and Section 457(b) of the Internal Revenue Code. A copy of the Plan Document, all of which provide additional details regarding the terms of the Plan, can be obtained by contacting CA 457.

I understand all amounts deferred into the Plan and earnings on the amounts deferred are held in a trust for the exclusive benefit of the Plan participants and their beneficiaries until such time as the deferred amount is made available to the participant or beneficiary.

I have been provided access to and understand the terms of the applicable mutual fund prospectus(es). It is the participant's responsibility to determine which investment options are best. I understand there is no assurance that the objective of any mutual fund will be obtained. Mutual fund prospectuses are available for viewing or download on the website [www.ca457.com](http://www.ca457.com) under the Investment Options tab or by contacting CA 457.

I understand that none of the investment options offered are federally insured or guaranteed against the risk of loss. I understand that neither my employer, the plan administrator, nor CA 457 is liable for (1) the losses I may incur due to fluctuations in value of the investment options that I have selected or (2) the financial insolvency of the providers of those options.

I agree to hold my employer, the Plan, the Plan Administrator and CA 457 harmless from liability for execution of transactions in accordance with instructions transmitted by telephone or the Internet, when using my username and password. This includes transactions that cannot be executed due to market trading suspensions, early market closings, funds suspending telephone trading privileges, or any other market circumstances beyond the control of the Plan, the Plan Administrator or CA 457.

The current total annual federal deferral limit to all Section 457 plans is the lesser of \$18,500 or 100% of includible compensation. Additional amounts above the limit may be deferred into the Plan if (1) the participant attains age 50 or older during the calendar year, or (2) the participant is within three years of Normal Retirement Age, as defined by the Plan Document, and did not defer the maximum amount in prior years. These limits may adjust for inflation in future years. I understand deferrals in excess of maximum amounts are not permitted and will be considered taxable income when refunded.

I understand that full-time employee participants may request a loan which must be repaid over a period of no more than five years. Eligible participants must have an account balance of at least \$2,000. The maximum loan amount that may be obtained is the lesser of: (1) One-half of the account value reduced by the highest outstanding loan balance during the 1-year period ending on the day before the date on which such loan is going to be made; or (2) \$50,000 reduced by the highest outstanding loan balance during the 1-year period ending on the day before the date on which such loan is going to be made. Failure to repay the loan in a timely manner may result in adverse tax consequences. Additional information about loans may be found on [www.ca457.com](http://www.ca457.com) under the Participant Forms tab or by contacting CA 457 directly.

I understand that I may request a distribution of funds from the Plan only (1) upon separation from service; (2) upon an unforeseeable emergency approved by the Plan Administrator in accordance with Internal Revenue Code guidelines; or (3) I may take a one-time, in-service "de minimus" withdrawal if my account value is \$5,000 or less and I have not deferred into the plan for at least 24 months. I understand distributions are exempt from early withdrawal penalties, but are taxable as ordinary income and subject to income tax in the year received.

I understand distributions must begin no later than April 1st following the year I reach age 70½. If I work beyond age 70½, my distributions must begin no later than April 1st following the year I separate from service or retire. My distributions must be made in a manner that satisfies the minimum distribution requirements of IRC Sec. 401(a)(9), which currently requires benefits to be paid at least annually over a period not to extend beyond my life expectancy. Failure to meet minimum distribution requirements may result in the payment of 50% federal excise tax.

Due to important tax consequences related to distributions, I understand that I should consult a tax advisor. I expressly assume the responsibility for tax consequences relating to any distribution, and I agree that neither CA 457, the Plan, nor the Plan Administrator shall be responsible for those tax consequences.

I understand the funds in my account are eligible for tax-free rollover to a traditional IRA or to an eligible retirement plan upon separation from service.

I understand it is my responsibility to report any changes to CA 457 that have occurred and affect my account (e.g. address or change in employment) and to update my beneficiary information as appropriate.

I understand CA 457 deducts a quarterly service fee from my account in an amount equivalent to 0.34% annually. Therefore, CA 457 bills my account at a rate of 0.085% (0.34% divided by 4) of my account value each quarter.

I understand that I may receive credits to my account. Many of the mutual funds offered in the Plan provide expense reimbursements at various rates to plan participant accounts. These reimbursements are credited only to participant accounts who have an active investment in a fund that offers such reimbursement. Typically, the higher expense funds offer these reimbursements and the lower expense funds do not. A complete list of funds that offer such reimbursements is available from CA 457 upon request. On average, most participant accounts receive a credit of approximately 0.20% of their account value per year (or 0.05% of the account value per quarter) from expense reimbursements. Please note: CA 457 does not receive compensation directly or indirectly from these reimbursements and does not make recommendations based on expense reimbursements.

I understand that since April 1, 2015, the City of Costa Mesa has contracted Benefits Funding Services Group (BFSG), an unrelated third-party consultant, to advise Plan administrators and deferred compensation committee members on various aspects of the Plan. The City invoices CA 457 to cover BFSG fees and other administrative expenses associated with the Plan. This fee is in addition to the CA 457 service fee and is deducted from participant accounts quarterly in an amount equivalent to 0.08% annually (0.02% quarterly).

I have read and understood, and I agree to the terms stated and recognize that they may change in the future.