EMPOWER®

PURSUING THE FUTURE YOU IMAGINE

City of Cambridge 457 Deferred Compensation Plan

Mike Tomlin CFP®, CRC®
Lead Retirement Plan Advisor

What we do and why we do it

Our goal is to help you replace — for life — the income you made while working.

As your partner, we’re here to:

- Help you plan for the retirement you imagine.
- Give you a better view of your retirement picture.
- Help you reach your financial goals.
- Offer ongoing support and guidance.



Key topics

- Ways to save in your plan
- Benefits and considerations
- Roth retirement plan vs. Roth IRA
- How your plan can help



Saving in your plan

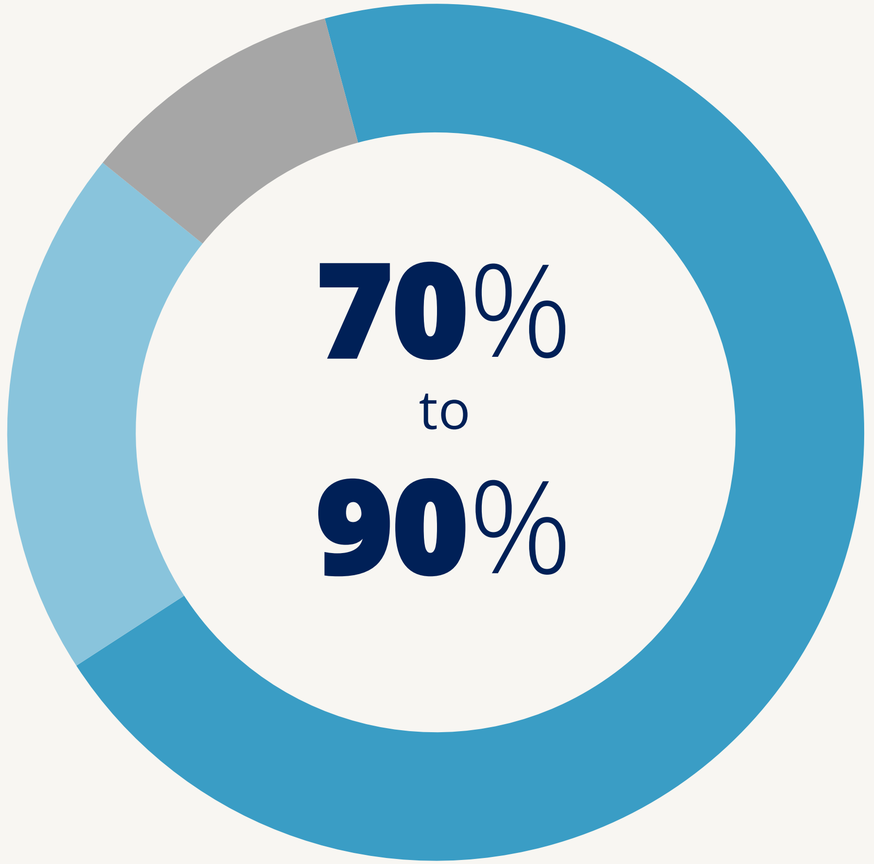
Your retirement savings plan is one of the simplest ways to save for retirement. Here are some of the ways they help you do it.



RO3175294-0224

How much does it take to retire?

Many financial advisors recommend saving enough to cover 70% to 90% of your pre-retirement annual income to maintain your standard of living.



What is a 457(b)?

A 457(b) is an employer-sponsored defined contribution plan that allows employees to save a portion of their salary in a tax-advantaged matter.

Tax benefits

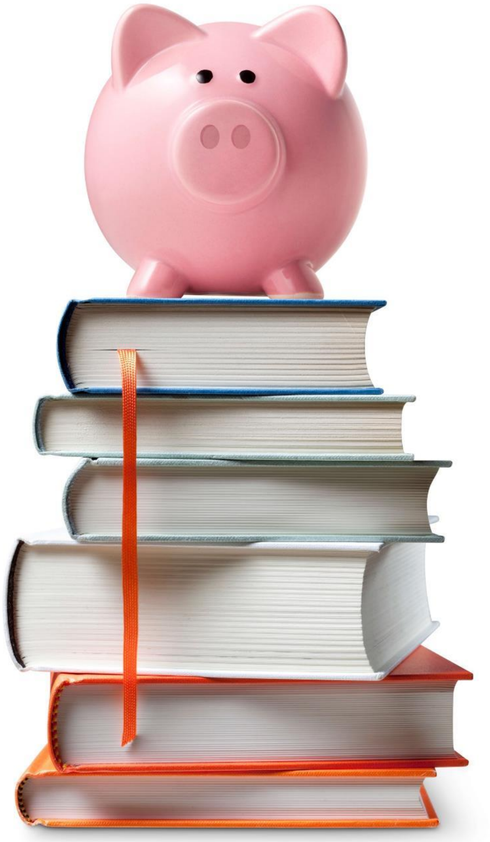
- **Pretax:** Tax-deferred savings
- **Roth:** Potential tax-free withdrawals

You control

- How much to contribute
- How to invest
- How to use the money in retirement
- Who gets the account if something happens to you

Portability

- Your account can go with you if you change jobs or retire



One of the easiest ways to save for your future

After you sign up, your employer automatically deducts the amount you specify from your paycheck and puts it into your plan account. You don't have to write a check or move money around yourself.

- Consider increasing your contribution each year — even if it's by just a little.
- Financial professionals recommend that you gradually work your way up to saving 10%-15% of your pay.



How pretax contributions work

Contributions are made before taxes are taken out.

On the plus side

- Any growth is tax-deferred.
- Your current taxable income may be lowered.
- You may pay lower taxes later.



What is a Roth retirement plan contribution?

It’s part of your existing retirement plan.

It’s another way to save for retirement.

- Contributions are made on an after-tax basis.
- Any earnings are tax-free in a qualified distribution.*
- There are no income-level restrictions.



* Earnings on Roth contributions will be taxed unless withdrawals are a qualified distribution as defined by the IRS.

RO3175294-0224

How Roth retirement plan contributions work

Roth retirement plan contributions are deducted from your paycheck after taxes are taken out, and any earnings* are also tax-free for qualified withdrawals

On the plus side

- May be a good option if you expect to be in the same tax bracket you are in now, or higher, when you retire.
- Money you save today has the potential for long-term growth if you don’t plan to access it for many years.



* Earnings on Roth contributions will be taxed unless withdrawals are a qualified distribution as defined by the IRS.

How pretax and Roth retirement plan contributions may affect your paycheck

Salary: $2,500 a month (before taxes are taken out)

Savings rate: 6%

Paycheck if you save pretax	Paycheck if you save with Roth	The difference
$ 1,998	$ 1,975	$ 23

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes 15% federal income tax withholding. It doesn't account for state and local taxes, Social Security, Medicare, or other taxes. Earnings on Roth contributions will be taxed unless withdrawals are a qualified distribution as defined by the IRS.

How much you can contribute

As all things in life, there are some rules when it comes to contributing to your plan.

- IRS limit for an individual: **$24,500**
- Catch-up contributions: An additional **$8,000** for people **50 and older***
- Higher “super catch-up" limit of **$11,250** (ages 60-63).

457 catch-up**

Up to double the maximum limit:

- Within three years of your plan’s designated normal retirement age if you undercontributed in earlier years



* If you make over $150,000 a year in FICA compensation, catch-up must be made as Roth starting January 1, 2026.

** The age 50+ catch-up and the 457 catch-up cannot be used in the same year.

A side-by-side comparison

	PRETAX PAYCHECK CONTRIBUTIONS	ROTH WORKPLACE CONTRIBUTIONS
EFFECT OF CONTRIBUTIONS ON PAYCHECK	Prior to tax withholding	After taxes withheld
TAXATION ON DISTRIBUTIONS	Contributions taxed as ordinary income Any earnings taxed as ordinary income*	Contributions not taxed Any earnings not taxable with qualified withdrawals*

Note: When choosing between contribution types, participants must take into consideration their complete personal financial situation.

*If a distribution is not qualified, the earnings are taxed as ordinary income and may be subject ot early withdrawal penalties. The 10% federal early withdrawal penalty does not apply to 457 plan withdrawals except for withdrawals attributable to rollovers from other type of plans or accounts.

RO3175294-0224

Experience the best of both worlds

Roth strategies to think about

- Ease into the bigger tax bite by splitting contributions to start
- Contributing both ways enables tax diversification in retirement



Consult your tax professional for help with your personal situation

The power of one — rolling money in

If your plan allows, you can roll money from previous employers into your new plan. That way you only have one account to manage.

- You can roll qualified balances into your account.
- Rollovers don’t count as part of your annual contribution limits.
- You can start by requesting a distribution form from your previous employer(s).

Consider all your options and their features and fees before moving money between accounts.



Roth retirement plan vs. Roth IRA



RO3175294-0224

A closer look at Roth IRAs

IRAs are individual accounts not associated with your retirement savings plan

Roth IRA eligibility is based on income level

Single:
MAGI must be under
$153,000

Married filing jointly:
MAGI must be under
$242,000

2026 contribution limit

Under age 50:
$7,500

50 and older:
$8,600

Roth IRAs are not subject to required minimum distributions.

Source: Internal Revenue Service, December 2025

MAGI: Modified adjusted gross income

RO3175294-0224

The rules of rolling over



Roth **can roll over** to another Roth account or Roth IRA



Roth IRAs **cannot be rolled** into your plan

Consider all your options and their features and fees before moving money between accounts.

Our goal is to help you reach yours



What kind of investor are you?

Knowing your investing style can help you determine how you want to manage your retirement plan account.

1

Do-it-for-me investor

2

Help-me-do-it investor

3

Do-it-myself investor

Do-it-for-me investors

An investment strategy that gives you:

- A personalized strategy.
- A comprehensive plan.
- A dedicated team.
- Simplicity.



Online advice and the managed account service are part of the Empower Advisory Services suite of services offered by Empower Advisory Group, LLC, a registered investment adviser. Past performance is not indicative of future returns. You may lose money.

My Total Retirement™

An investment strategy created just for you

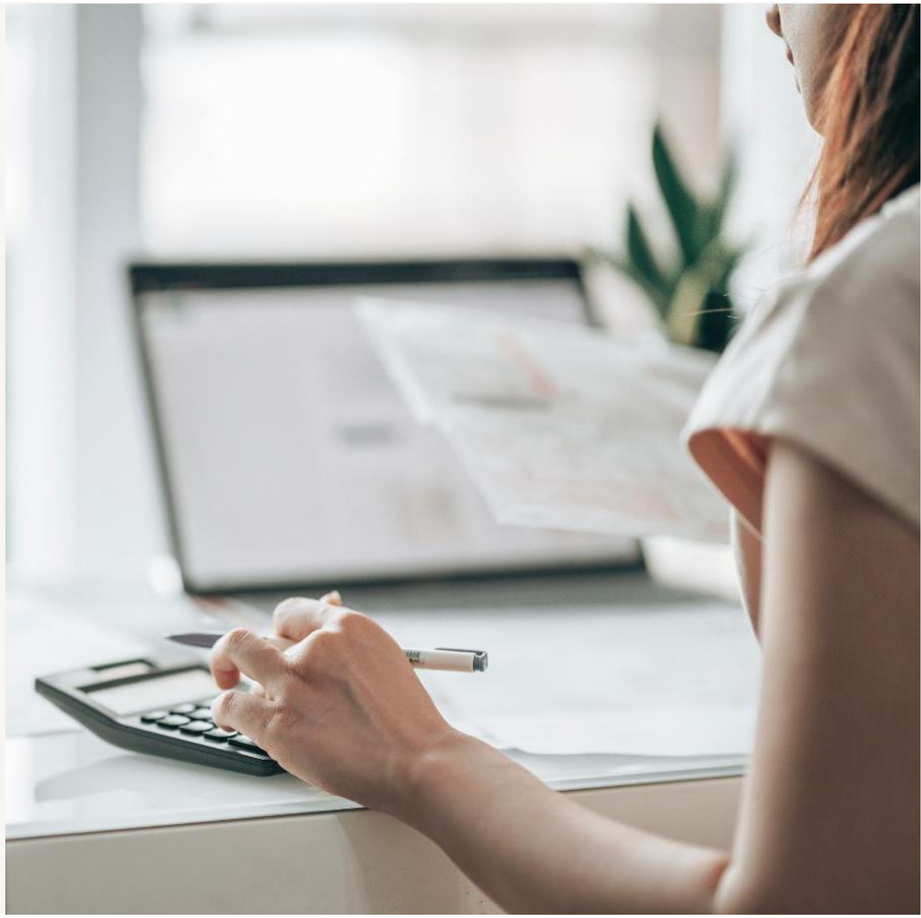
You may want to look into a professionally managed account that offers a personalized approach to planning for the future you want.

Personalized - We develop an investment strategy that fits your needs and goals.

Simple - We do the work for you to help you stay on track for your future.

Comprehensive - We look at your saving, investing and retirement income needs.

One-to-one - You have ongoing access to investment adviser representatives.



Online Advice and My Total Retirement are part of the Empower Advisory Services suite of services offered by Empower Advisory Group, LLC, a registered investment adviser. Past performance is not indicative of future returns. You may lose money.

RO3175294-0224

Help-me-do-it investors

Empower’s team of specially trained consultants can help you review:

- Investing options in your plan.
- Savings and financial wellness.
- Guidance on your options if you change jobs or retire.
- Information on target date or risk-based funds.

Consider all your options and their features and fees before moving money between accounts.



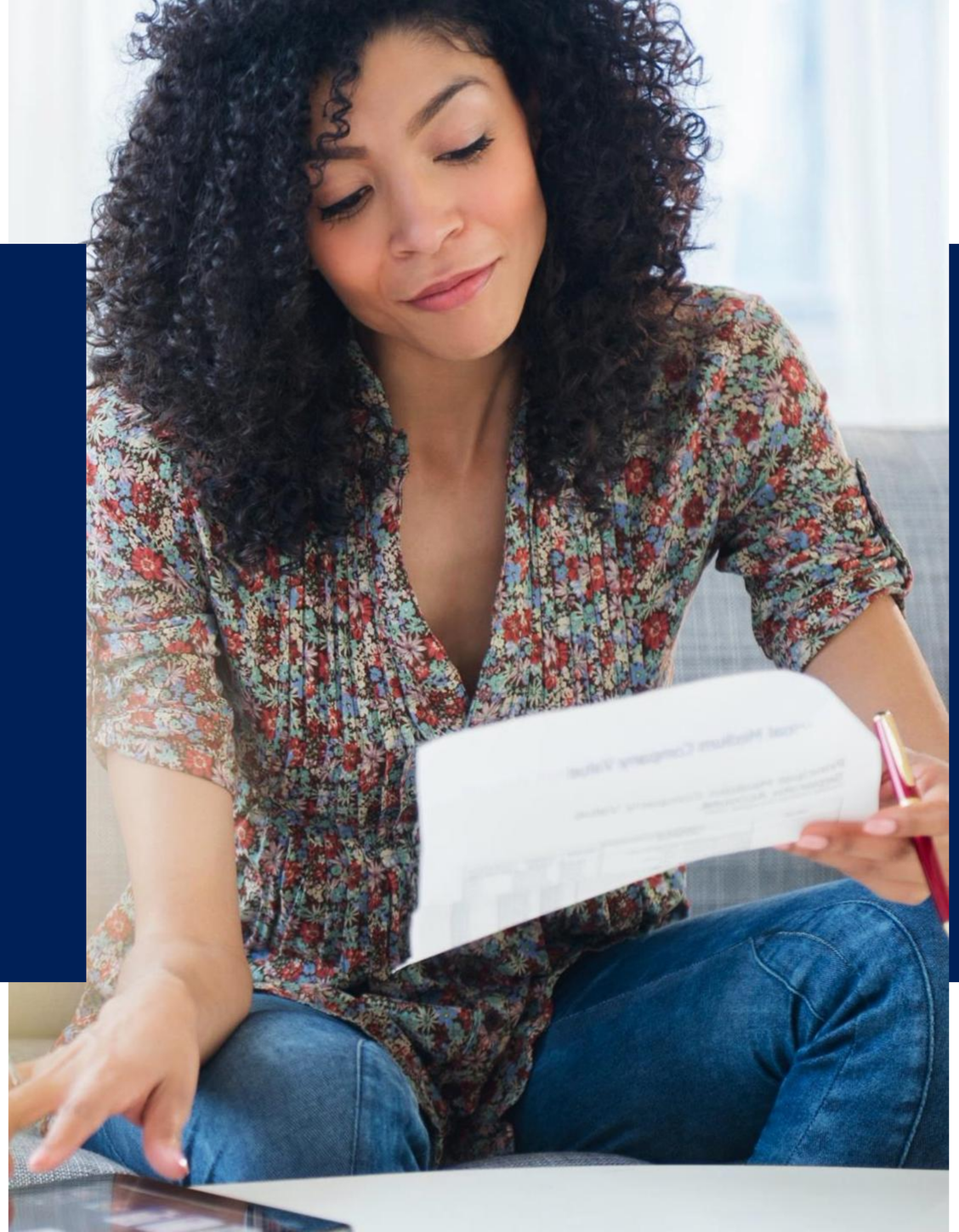
Point-in-time advice provided by an Empower representative may include savings, investment allocation, distribution, and rollover advice, including advice on consolidating outside retirement accounts.

RO3175294-0224

Online advice

If you prefer to manage your own investments but would like some assistance, Online Advice generates personalized saving and investing suggestions to help you make decisions based on information you provide about your situation and your goals.

Online advice and the managed account service are part of the Empower Advisory Services suite of services offered by Empower Advisory Group, LLC, a registered investment adviser. Past performance is not indicative of future returns. You may lose money.



RO3175294-0224

Explore your advice and account management options

Whether you prefer to self-manage your investments or have someone do it for you, help is available

HOW MUCH HELP IS RIGHT FOR YOU? View and compare the benefits of each offering	My Total Retirement™	ONLINE ADVICE
Saving and investment recommendations	✓	✓
A personalized retirement strategy managed by professionals	✓	
Investment advice implemented for you	✓	
One-to-one access to investment professionals	✓	
Retirement income advice	✓	
Fee-based service paid from your account	✓	
Control over your investment transactions		✓
No additional cost to you		✓

Online Advice and My Total Retirement are part of the Empower Advisory Services suite of services offered by Empower Advisory Group, LLC, a registered investment adviser. Past performance is not indicative of future returns. You may lose money.

RO3175294-0224

Do-it-myself investors

You can choose from the individual core funds included as part of your plan to create a diversified mix of investments to match your risk tolerance.



Select your own mix of individual funds.



Decide how to invest each fund.



Manage and monitor your account accordingly.

EMPOWER®

Becoming Retirement Ready



EMPOWER®

A strategy created just for you

While basic investment strategies consider only your age, we take into account a wide range of factors to develop a more in-depth picture of who you are before creating a strategy to fit your individual needs.



RO3175294-0224

Critical elements of your retirement readiness strategy

Assessing your retirement readiness



How much are you saving?



How are you investing your savings?



At what age do you plan to retire?



What income would you like to have throughout your retirement?

RO3175294-0224

Looking at the big picture

We’ll examine your personal situation, needs, and goals to create a strategy designed to help you get to where you want to be.

Factors that make your strategy unique



Retirement age
Date of birth
Gender



Salary
Contributions
Account balance
Outside investments
Employer match



Spending needs
Retirement needs

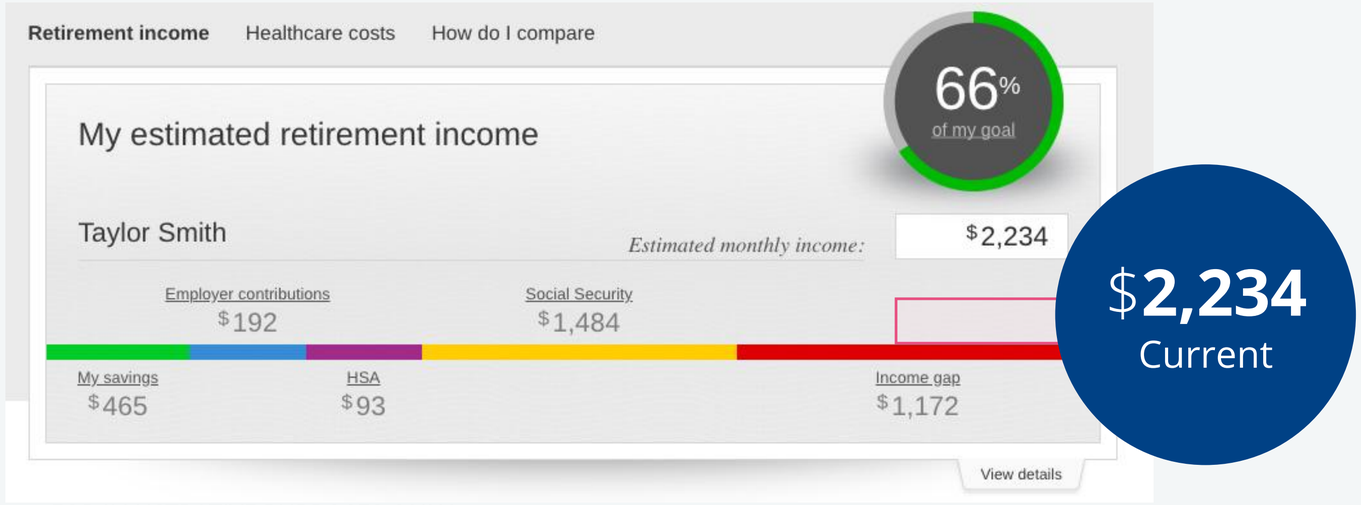


Pension
Social Security

RO3175294-0224

Your projected monthly retirement income

Your estimated retirement income will tell us how you are currently tracking to reach your goals and alert us to any gaps you may have.



FOR ILLUSTRATIVE PURPOSES ONLY

$3,406

Recommended

RO3175294-0224

Powerful features at your fingertips

The free Empower Personal Dashboard™ helps you:

- See all your accounts in one place.
- Track, manage, and plan your financial life.
- Understand your net worth, financial goals and more.

The Learning Center makes financial education easy through:

- Online courses, videos, and assessments.
- Articles and insights.
- Financial planning calculators.

My Financial Path helps you answer your money questions with:

- Information about spending, saving, investing, and life's big events.

Get a personalized action plan about your next financial step.

Download the app in the App Store® and on Google Play™.

or

Available on the App Store

GET IT ON Google Play

FOR ILLUSTRATIVE PURPOSES ONLY.

Android, Google Play, and the Google Play logo are trademarks of Google LLC.

iOS is a registered trademark of Cisco in the U.S. and other countries and is used under license.

The App Store is a trademark of Apple Inc.

RO3175294-0224
RO3876223-0924

Keeping your savings safer together

Empower offers a Security Guarantee as part of its commitment to your account safety.

- Register your account online
- Choose a strong username and password
- Review all security alerts immediately
- Review your accounts periodically



PRO TIP: Use a password manager to keep your information and passwords secure.

For more information regarding account security, including the Empower Security Guarantee, visit **empower.com** and, from the list of additional links at the bottom of the page, click *Security center*.

RO3869533-1024
RO3175294-0224

What are my takeaways?

Consider the following:

- <Register for online access>
- <Enroll in your plan>
- <Increase contributions>
- <Diversify your portfolio>
- <Name/Update your beneficiary>
  - <Don’t forget about your contingent!>
- <Download the Empower Mobile App>



We’re here to help you:

1. **Get answers to your money questions.**
2. **Review and understand your current financial situation.**
3. **Plan for the financial future you want.**

To get started, login to Empower.com or call 1-888-672-7240

Weekdays: 8:00 a.m. to 10:00 p.m. Eastern time

Saturdays: 9:00 a.m. to 5:30 p.m. Eastern time

Automated system available 24/7. Password required.

TTY: 1-800-766-4952



Schedule time with your Retirement Plan Advisor

Mike Tomlin

914-355.6624

mike.tomlin@empower.com

or online at:
https://michaeltomlin.empowermytime.com/#/

RPA Disclosures

Important information regarding your meeting with representatives of Empower
Your Empower representative is a retirement plan advisor (RPA) acting on behalf of Empower Advisory Group, LLC, (EAG) and Empower Financial Services, Inc. (EFSI). EAG is a federally registered investment adviser that provides investment advisory services to retirement plan participants and IRA accountholders nationwide. EAG's goal, through the RPAs and otherwise, is for you to leverage EAG's investment expertise to make retirement planning smarter and more accessible than ever before. EFSI is a broker-dealer registered with FINRA and the U.S. Securities and Exchange Commission. EFSI primarily provides broker-dealer services to employer-sponsored retirement plans. Both EAG and EFSI are members of the Empower Retirement family of companies.

Your RPA is authorized to act as both an investment advisor representative of EAG and a registered representative of EFSI. Your RPA acts as an EAG investment advisor representative when providing investment counseling or recommendations and as a EFSI registered representative when executing securities transactions on your behalf.

Your RPA may conduct a Retirement Readiness Review with you and educate you about available investment options and products offered by EAG. During a Retirement Readiness Review, you will meet with a plan advisor to discuss your current and future goals. Your RPA will look at your full financial picture and provide tailored recommendations in order to help you achieve your personal retirement readiness. Your RPA will assist you with learning about (and, when appropriate, enrolling in) Empower managed accounts solutions, rollovers into plan options, optimized investment allocation and savings amounts, financial planning, general financial wellness, health savings accounts (HSAs), distribution options, and additional products/ solutions offered by your plan and aligned with your needs. While basic investment strategies consider only your age, the service of your RPA includes consideration of a wide range of factors to develop a more in-depth picture of who you are before creating a strategy that best fits your individual needs. Your RPA considers your individual financial situation and goals to create a plan designed to help you reach the future you want. Your RPA, acting on behalf of EFSI, can assist you with executing securities transactions related to the recommendations they provide. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

The Retirement Readiness Review is provided by an Empower representative registered with Empower Financial Services, Inc. at no additional cost to participants. There is no guarantee provided by any party that use of the review will result in a profit.

Retirement plan advisors act as Empower Advisory Group, LLC, investment adviser representatives when providing investment counseling or recommendations and as Empower Financial Services, Inc. registered representatives when executing transactions.

By engaging in a dialogue with your RPA, you will receive ongoing direction and advice, including professional support through education when it comes to making important savings, investing and retirement income decisions. Although your RPA cannot provide you with advice on your tax situation, they will share information related to the potential tax implications of taking receipt of the proceeds from your retirement investments. If you feel that you need specific tax advice, please consult with your personal tax advisor.

To obtain the EAG and EFSI Form CRS, or for more information about Empower representatives, visit **empower.com**.

©2024 Empower Annuity Insurance Company of America. All rights reserved. RO3175294-0224

EMPOWER®

Disclosures

Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.

Investing involves risk, including the potential loss of principal.

Securities, when presented, are offered and/or distributed by Empower Financial Services, Inc., Member FINRA/SIPC. EFSI is an affiliate of Empower Retirement, LLC; Empower Funds, Inc.; and registered investment adviser Empower Advisory Group, LLC. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice.

The S&P 500 Index is a registered trademark of Standard & Poor's Financial Services LLC. It is an unmanaged index considered indicative of the domestic large-cap equity market and is used as a proxy for the stock market in general.

Asset allocation and balanced investment options and models are subject to the risks of their underlying investments.

iPhone, iPad, Apple, Apple Watch and App Store are trademarks of Apple Inc. Android, Google Play and the Google Play logo are trademarks of Google LLC. iOS is a registered trademark of Cisco in the U.S. and other countries and is used under license.

IMPORTANT: The projections, or other information generated on the website by the investment analysis tool regarding the likelihood of various investment outcomes, are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. The results may vary with each use and over time.

My Financial Path includes products made available by Empower Retirement, LLC and third-party providers outside the retirement benefits provided under your plan. Inclusion of a product in My Financial Path is not an endorsement or recommendation of the product by the plan's sponsor, service providers or fiduciaries.
the retirement benefits provided under your plan. Inclusion of a product in My Financial Path is not an endorsement or recommendation of the product by the plan's sponsor, service providers or fiduciaries.

"EMPOWER" and all associated logos, and product names are trademarks of Empower Annuity Insurance Company of America.

Empower refers to the products and services offered by Empower Annuity Insurance Company of America and its subsidiaries. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice.

©2024 Empower Annuity Insurance Company of America. All rights reserved. RO3175294-0224

Unless otherwise noted: Not a Deposit | Not FDIC Insured | Not Bank Guaranteed | Funds May Lose Value
Not Insured by Any Federal Government Agency

Questions

