

**MATCHED ANNUITY PENSION PLAN (MAP) 401(k)  
OPTIONS AT RETIREMENT  
ELIGIBLE FOR CITY'S 50% MATCH**

The following options are available to employees who have at least seven years of service as a permanent employee and who retire from the City under early/normal/disability retirement provisions or are vested and at least age 55:

**Option 1: 72t Distribution (Prudential)**

- The City's 50% match is added to the retiree's MAP matching account balance (the account remains with Prudential)
- One payment option available: A monthly payment that is based on IRS formula using retiree age (IRS annuity tables) and account balance (including interest earnings). Unlike the DEFRA payment (option 2), this monthly payment is not recalculated each year, so your monthly payment remains the same for the life of the payout. Investment earnings on account balance would determine length of payout over your life expectancy.
- One additional payment, referred to as a partial withdrawal, may be requested annually. Remaining City matching funds will be reduced if additional payment is paid out of employee's matched funds. Monthly payment will be recalculated based on the remaining balance.
- Taxable only as monthly payments are received.
- Retiree still has control over where funds are invested.
- Cash out provision at any time. Remaining City 50% matching funds will be returned to the City. A penalty may apply according to IRS regulations.
- Death Benefit: Upon death of retiree, their primary beneficiary retains control of the account balance including 50% match.

**Option 2: City DEFRA Distribution (Prudential)**

- The City's 50% match is added to the retiree's MAP matching account balance (the account remains with Prudential).
- One payment option available: A monthly payment that is based on IRS formula using retiree age (IRS rolling life expectancy annuity tables) and account balance (including interest earnings). This payment will be recalculated annually which may increase or decrease depending on interest earnings on your account balance.
- Payment is recalculated annually.
- One additional payment, referred to as a partial withdrawal, may be requested annually on the anniversary date. Remaining City matching funds will be reduced if additional payment is paid out of employee's matched funds. Monthly payment will be recalculated based on the remaining balance.
- Taxable only as monthly payments are received.
- Retiree still has control over where funds are invested.
- Cash out provision at any time. Remaining City 50% matching funds will be returned to the City. A penalty may apply according to IRS regulations.
- Death Benefit: Upon death of retiree, their primary beneficiary retains control of the account balance including 50% match.

**Option 3: Insurance Company Annuity (MetLife Insurance Company)**

- Retiree's MAP 401(k) account and the City's 50% match is disbursed to insurance company
- \$300 initial set up fee, which is deducted from amount transferred to insurance company
- Monthly payment is an annuity based on: Retiree's age, Spouse's age (if joint & contingent option is selected), current insurance company yield and the option selected. The payment increases by 3% annually.
- Six payment options available: 10 Year Certain and Life; 15 Year Certain and Life; 20 Year Certain and Life. If married, the following options are also available: Joint and Contingent Full, Joint and Contingent 2/3 and Joint and Contingent 1/2. (These options are similar to the City's retirement options).
- Taxable only as monthly payments are received.
- No control over where funds are invested.
- No partial withdrawal or cash-out provision.
- Death benefit is based solely on the option selected.

**Option 4: Vest account and draw payments at a later date**

- May leave funds in account and draw payments at a later date based on the above options.
- Distributions must begin no later than age 70 ½ - IRS rule.
- Death Benefit: Upon death of retiree, their primary beneficiary retains control of the account including the 50% City's match. The account balance is paid in lump sum to beneficiary or beneficiary can choose to receive monthly payments under IRS regulations.