

# General Information



## What is RSA-1?

RSA-1 is a deferred compensation plan sometimes referred to as a 457 plan because its laws are defined in that section of the Internal Revenue Code. RSA-1 is administered by the Secretary-Treasurer of the Teachers' and Employees' Retirement System under the supervision and direction of the PEIRAF Board of Control, which is composed of members of the investment committees of the Teachers' and Employees' Boards of Control.

### *You never pay any fees!*

Unlike other funds, there are no administrative, membership, investment, transaction, sales or commission fees for participating in the RSA-1 Deferred Compensation Plan. All the money you defer and all investment earnings are placed into your account and invested by RSA-1.

### *Deferring part of your income equals tax savings*

Under the RSA-1 Deferred Compensation Plan, a public employee may elect to defer receipt of a portion of his or her salary until a later determined date, usually at retirement or other termination of service. Because receipt of the income is deferred, the deferred income is **NOT** included in your federal or state of Alabama gross taxable income.

The deferred income is paid into RSA-1 and invested for your benefit. Investment earnings are accumulated

in the fund and like the deferred income, are not subject to federal or state of Alabama income taxation until distributed to the employee. Deferred income and the investment earnings are held in the participant's account for the exclusive benefit of the plan participants and their beneficiaries.

### *Keep your beneficiary current*

It is very important to maintain current beneficiary designations. Federal tax laws dictate certain requirements for distributions of your RSA-1 account to your beneficiary(s) after your death. Review your beneficiary(s) designations if you prepare to terminate employment, retire, marry, divorce, experience the death of a family member, or experience an addition to your family. If you need to change your beneficiary or if your primary beneficiary dies, contact RSA-1 for a **CHANGE OF INFORMATION** form or download it from our Web site.

If you wish to have more than one primary or contingent beneficiary, complete the **MULTIPLE BENEFICIARY DESIGNATION** form and submit along with the **MEMBER RECORD** and **INVESTMENT OPTION ELECTION** forms to RSA-1. All of these forms are included in this packet.

### *RSA-1 needs your current home mailing address*

Having your current home mailing address on file with RSA-1 is very important. Many important documents are mailed to each participant, including your account statements. Please report any change of address to RSA-1 in writing only, either by letter or **CHANGE OF INFORMATION** form.