Plan Summary

The City of Eugene Deferred Compensation Plan may help you reach your future objectives.
Along with PERS/OPSRP and Social Security benefits, this 457 Plan may make up an important piece of your retirement income. It's well known that you may want to plan on replacing at least 80% of your income in retirement. The Plan provides you an easier way to save towards your retirement with pre-tax contributions made through convenient and automatic payroll deductions. Read more to learn how you can benefit by saving with the Plan.

It May Not Cost as Much as You May Think

Meet Sarah: She earns $40,000 a year and wants to save 3% of pay ($46.15) each bi-weekly pay period in the Plan. Let's see the impact on her paycheck of saving with pre-tax dollars.

Sarah's Paycheck Comparison

	Without the Plan	With the Plan
Gross pay	$ 1,538.46	$1,538.46
457 contribution	$0	$46.15
Adjusted pay	$1,538.46	$1,492.31
Federal tax	$180.96	$174.04
State tax (OR)	$100.11	$96.58
FICA/Medicare	$86.93	$86.93
Take home pay	**$1,170.46**	**$1,134.76**

Because of saving with pre-tax dollars, it only costs Sarah $35.70 to save $46.15 each pay period.

Based on a hypothetical $40,000 annual salary ($1,538.46 bi-weekly) with 26 pay periods and contributions per pay period as shown, and is for illustration purposes only. Withholding is based on Federal and state wage withholding for a single individual with one dependent. Systematic investing does not ensure a profit nor guarantee against loss. Investors should consider their financial ability to continue their purchases in up as well as down markets.

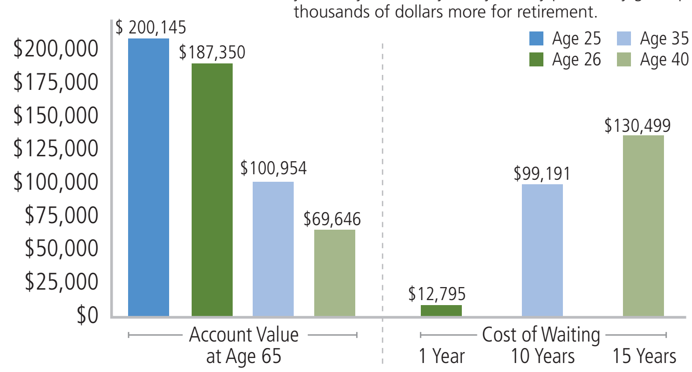
It's Important to Start Early

Let's see how starting early can help Sarah save more money for retirement over time.

Sarah's contributions and any earnings on her investments are not taxed until amounts are distributed to her at a later date, generally at retirement or separation from service. Tax deferral helps to keep more of her money working over time toward her retirement objectives. Waiting might mean that she will need to contribute much larger amounts to the Plan later on to try to make up the difference – and even then, she might not catch up.

The Cost of Waiting

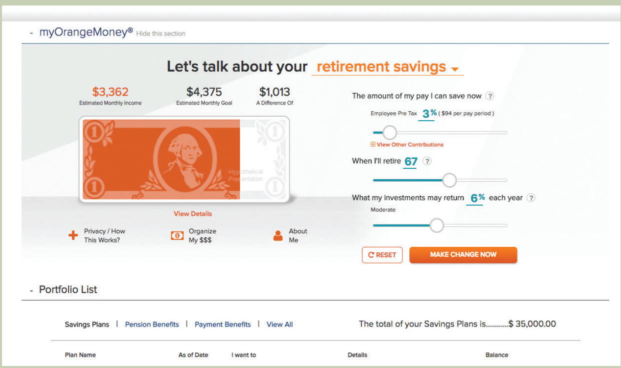
Even one year can make a difference. If you start saving at age 25, you could potentially accumulate $12,795 more than if you wait until age 26. And, if you delay 10 or 15 years, you may potentially give up thousands of dollars more for retirement.



This hypothetical chart shows the impact of joining at different ages (age 25, 26, 35, and 40). The accumulated amounts assume contributions over 26 pay periods per year, a 6% annual rate of return compounded monthly and a retirement age of 65. Taxes and any applicable product-related charges are not reflected and would lower the amounts shown above. Consider your personal investment horizon and current as well as anticipated income bracket when making an investment decision. Changes in tax rates and tax treatment of investment earnings may impact results.

Want to See Your Big Picture?

Use the myOrangeMoney® interactive, educational, online experience to see the income you might need each month in retirement and the estimated progress you've already made towards that goal.



VoyaRetirementPlans.com

Read this Plan Summary to learn more about the Plan.[1] If you have questions, call Voya at (541) 343-6759.

Who oversees the Plan?

The City's Deferred Compensation Committee manages and monitors the Plan on behalf of participants. The City has contracted with Voya to provide local service, education, investments, and administration services for Plan participants.

Who is eligible to enroll?

You're eligible today. All Regular non-represented employees and represented employees performing services for the City are eligible. There are no age or length of service requirements.

Who contributes?

You make contributions by deferring a dollar amount or a percent of your pay to the Plan. These contributions or "deferrals" are made on a pre-tax basis each pay period. Any earnings are tax-deferred until benefits are paid to you. (Note: If you defer at least 1% of your base salary into either a Roth or Pre-tax Deferred Compensation option, the City will contribute a Deferred Comp Benefit (DCB) into your Pre-tax Deferred Compensation option with the City as follows: the DCB for Non-Represented employees is 3% of base salary; for AFSCME-Represented employees, 2% of base salary; and for EPEA-Represented employees, 1% of base salary, effective 7-1-17 and 2.75% of base salary effective 7-1-18. In order to receive the City-paid Deferred Comp Benefit contribution, you must defer the minimum required amount each pay period. If you only have a Roth account with Voya, DCB funds deposited by the City will be placed in pre-tax funds matching your Roth account.)

You also have the option to make contributions on an after-tax basis thanks to the Roth 457 provision available through the Plan.

How much can I contribute?

The maximum contribution is set by the Internal Revenue Service (IRS) and may increase each year based on cost-of-living adjustments. You may also be eligible for increased contributions under two catch-up provisions (see below).

Once you're enrolled, you can easily change the amount or percentage of your contributions.

Age 50+ Catch-up: If you are age 50 or over during the calendar year, you may contribute an additional amount to the 457 Plan.

457(b) Catch-Up: You may be eligible to make contributions up to twice the regular contribution limit during the three calendar years before the year you reach your selected normal retirement age, if you have not contributed the maximum amount to the 457 plan in prior years.

IRS maximum contribution limits for 2018 are noted in the chart below. Check the Plan website for the current contribution limits.

Regular	Age 50+	457(bCatch-Up
$18,500	$24,500	$37,000

The Age 50+ and Standard 457(b) Catch-Up Provisions may not be used in the same calendar year.

What is a Roth 457?

A Roth 457 allows you to contribute to the Plan on an after-tax basis. As contributions are made on an after-tax basis, the principal is not taxable at the time of distribution. In addition, any earnings on the Roth 457 money you invest will not be taxable at the time of distribution provided qualifying conditions are met.

Can I contribute to both pre-tax and Roth at the same time?

Yes, you can. The contribution limits shown in the prior section apply to your combined pre-tax and Roth contributions.

What are my investment choices?

You choose how to invest your contributions and account balance by selecting from a variety of investment options offered under the Plan. The investment options range from aggressive to conservative. Your choices include passively managed index funds, actively managed funds, target date funds, and a stability of principal option.

The Plan offers Vanguard® target date funds to help simplify your investment decision. A target date fund provides a mix of investments based on the target date. You select the fund with the target date closest to the year you expect to begin receiving benefits. These funds are rebalanced periodically and, over time, shift to a more conservative mix. That means you won't have to change the mix for your own account.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and begin receiving benefits. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Voya representatives can help you learn more about these options so you can choose investments that fit your situation. You may also change your investment selections at any time by calling **(800) 584-6001** or by accessing your account online at **VoyaRetirementPlans.com.**

You should consider the investment objectives, risks, and charges and expenses of the mutual funds offered through a retirement plan, carefully before investing. The fund prospectuses and information booklet containing this and other information can be obtained by contacting your local representative. Please read the information carefully before investing.

What other investment choices do I have?

You also have access to a Self-Directed Brokerage Account (SDBA) option through TD Ameritrade that provides an expanded choice of open-end mutual funds. A TD Ameritrade SDBA is designed for the experienced investor who wants to independently and actively manage an even greater choice of investments and is willing to pay additional fees
and accept full responsibility for researching, selecting, monitoring and managing their investments.

- Minimum trade amount: $1,000
- Minimum subsequent transfer: $1,000
- Maximum trade amount: 50% of waccount value
- Minimum core account balance: $10,000
- Fees: $50 fee, charged annually on November 1st or the next business day the New York Stock Exchange (NYSE) is open, irrespective of when the account was opened. This fee will be deducted from the core investment options in your account under the Plan with Voya. Brokerage account commission and fees as described in the Commission Schedule also apply. Fees may vary by the type of security traded. Please refer to the mutual fund prospectus for additional fees and charges that may apply to mutual fund trades.

Brokerage services provided by TD Ameritrade, Inc., member FINRA/SIPC. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. TD Ameritrade and Voya Financial are separate and unaffiliated and are not responsible for each other's policies or services.

[1] If there are any differences between this Plan Summary and the provisions of the Plan document, the Plan document will control.

What are the costs of participating in the Plan?

The Plan charges an annual administrative fee of 0.08% of your account balance that covers all administrative expenses. In addition, each of the investment options has an expense associated with it. Fund expenses are subtracted from the fund's performance that is reported on your statement. Your actual expenses will depend on the specific funds you select.

I know about 401(k) plans, but what is a 457 plan?

Government employers are no longer permitted to offer employees the ability to save with pre-tax dollars under a 401(k) plan. However, they can offer a similar plan, called a 457 plan, which also permits employees to save with pre-tax dollars.

Can I take a loan from the Plan?

No. Loans are not available under the Plan.

What if I get divorced?

If you get divorced, your former spouse or other alternate payee may be awarded a portion of your Plan benefits. A court will need to issue a Qualified Domestic Relations Order and direct the division of assets.

Can I use amounts accumulated in my account to purchase pension service credits?

Yes. You may choose to have a portion of your account transferred directly to PERS/OPSRP or another governmental defined benefit plan for the purchase of service credits allowed by PERS/OPSRP.

When can I receive a payout from my account?

You can only receive a payment from your account after one of the following:

- Leaving City employment;
- Attainment of age 70½
- Death; or
- An unforeseeable emergency.

You can also receive an in-service payment if your account balance does not exceed $5,000, you have not contributed to the Plan during the prior two years, and you have not received this type of payment in the past.

If you take a military leave of absence for more than 30 days for active duty in the Uniformed Services during time of war or emergency, you will be eligible to elect a payout. If you choose to receive a payout, you will not be permitted to make Plan contributions for six months from the date of the distribution.

Note: If you have rolled over amounts from another eligible retirement plan[2] into the Plan, you can receive a payout of the rollover amounts at any time even if still employed.[3]

With Roth 457, you can contribute after-tax dollars and distributions will be federal income tax free as long as they have met the criteria of a "qualified distribution."[4]

What is an unforeseeable emergency?

An unforeseeable emergency is defined by IRS guidelines and the Plan document as a severe financial hardship to the participant resulting from:

- An illness or accident to you, your spouse, your dependent (as defined by the IRS), or your primary beneficiary designated under the Plan;
- The loss of your property due to casualty; or
- Other similar extraordinary and unforeseeable circumstances arising as a result of an event beyond your control.

Withdrawals are permitted only if the hardship cannot be relieved:

- Through reimbursement or compensation by insurance or otherwise;
- By liquidating your assets (if this would not itself cause severe financial hardship);
- By borrowing from commercial sources, if this borrowing would not itself cause severe financial hardship; or
- By stopping deferrals under the Plan.

Only the amount necessary to meet the emergency need is available for a withdrawal. Unforeseeable emergency payouts can only be made in a lump sum. An unforeseeable emergency withdrawal is not a loan, and cannot be repaid to the Plan at a later date.

What are my payment options?

When you can receive a payout, you (or your beneficiary) may choose from various payment options including:

- Lump sum or partial lump sum payment;
- Installment payments;
- Annuity payments; or
- Direct rollover to another eligible retirement plan.[2]

You may also choose to leave your benefits in the Plan for payment at a later date. Note that once you begin a payment option, you can elect to change that option at a later date (unless you have elected an annuity payment).

May I roll over my account from my former employer's plan into this Plan?

Yes. You can roll over retirement plan assets you may have from another employer into the Plan. Consider consolidating assets from a prior employer's eligible retirement plan[3] to take advantage of Plan benefits like lower fees, flexible investments, and easier account management. Please carefully consider the benefits of existing and potentially new retirement accounts and any differences in features. Consult your own legal and tax advisors regarding your situation.

May I roll over my account if I leave employment?

Yes. When you can receive a payout from the Plan, all distributions are eligible to be rolled over except for:

- An unforeseeable emergency withdrawal;
- IRS minimum required distributions paid on or after you reach age 70½; and
- Periodic payments made over your life or a specified period of 10 years or more.

Upon your death, your surviving spouse may also be permitted to roll over death benefits. In addition, a non-spouse beneficiary may roll over a death benefit to an individual retirement account or annuity (IRA) which is treated as an inherited IRA of the non-spouse beneficiary. Amounts rolled to a non-457 plan would become subject to the IRS 10% premature distribution penalty tax if taken prior to age 59½.

Do I have to take a payout from the Plan when I leave employment?

No. You may leave the monies in the Plan and continue to manage your account. However, the IRS requires that you must begin receiving payments by April 1 of the calendar year following the calendar year you reach age 70½ or the calendar year you retire, whichever is later.

2 An eligible retirement plan is a 401(a) or 401(k) plan, 403(b) plan, another government 457 plan, or a traditional IRA.

3 An IRS 10% penalty tax may apply to payouts before age 59½.

4 Roth 457 distributions will be considered a Qualified Distribution and the earnings will not be subject to federal income tax as ordinary income if the following criteria are met: 5-year holding period and distribution due to a) attainment of age 59½ (assuming you have separated from service), b) disability, or c) death.

Will I pay an IRS penalty tax if I receive a payment before age 591/2?

No. Payments from 457 plans are not subject to the IRS 10% penalty tax when paid before age 59½. However, if you have rolled over monies from a non-457 plan, those amounts will be subject to this penalty tax unless an IRS exception applies.

What happens if I die?

Death benefits would be payable to your designated beneficiary under the Plan. It is important that you review your beneficiary designation periodically so that death benefits are paid according to your wishes. It is easy to update your beneficiary on the Plan website.

How do I keep track of my account?

Statements are mailed to your home on a quarterly basis. They will summarize your account activity, including contributions and fund transfers, and will reflect your account balance. Instead of receiving paper copies of your statement, you can sign up for e-delivery of your statements while accessing your account on the Plan website.

Start Today - It's Easy. Go online to enroll or call for an appointment.

- **By form:** Download the enrollment form at **eugene-or.gov/688/Deferred-Compensation**.
- **Meet with a local representative:** You will complete a Participation Agreement to specify your contribution dollar amount or percentage and designate a beneficiary. You will also fill out an Enrollment Form to select your investment choices. To meet with a representative, please call the local office at (541) 343-6759.

Note: Based on the Plan and IRS requirements, the earliest date for you to begin participating is the first pay period of the month following the month you complete the enrollment process. You can choose a later date if you'd like.

Have questions?

Access your account at VoyaRetirementPlans.com
Call our local Eugene Office for personalized assistance: (541) 343-6759, 160 E. Broadway, Ste 200
Contact Voya's national Customer Contact Center: (800) 584-6001

Eugene