



# CBJ Deferred Compensation (Retirement) Match Frequently Asked Questions



## Q. What is Deferred Compensation?

A. Similar to an Individual Retirement Account (IRA), it is a program for government employees that allows you to put money aside for your retirement. There are IRS rules that govern the plan. It's called a deferred compensation account or a 457 account. MissionSquare is the company that manages those accounts for CBJ.

## Q. Am I eligible for this benefit?

A. All current PERS Tier IV employees are eligible for this benefit.

## Q. Do I have to have been working for CBJ for a specified period before I am eligible?

A. No – you are eligible on day one of employment.

## Q. What is the match amount?

A. The match is based on years of service as follows:

- 0-2 years: Employer matches 50% of an employee's contribution up to a maximum of 1% of eligible wages.
- 2-5 years: Employer matches 50% of an employee's contribution up to a maximum of 2% of eligible wages.
- 5-10 years: Employer matches 50% of an employee's contribution up to a maximum of 3% of eligible wages.
- 10+ years: Employer matches 50% of an employee's contribution up to a maximum of 4% of eligible wages.

## Q. How are years of service calculated?

A. Years of service is calculated 2 different ways for this plan, and refers to PERS-eligible service:

1. For the match calculation, years of service is calculated based on all of the employee's cumulative service regardless of breaks in service. Periods of Leave without pay do not count.
2. For the vesting calculation, years of service is based on cumulative service **after July 1, 2023** (start date of this 401a match plan):
  - After 1 year of service: 20%
  - After 2 years of service: 40%
  - After 3 years of service: 60%
  - After 4 years of service: 80%
  - After 5 years of service: 100%

## Q. How is this contribution invested?

A. The matching funds are placed in a 401a plan

## Q. Can I manage how the 401a funds are invested?

A. Yes, you can manage this account in the same way you can manage your 457 funds.

## Q. If I already contribute the maximum allowable amount to my MissionSquare account every year, does this match go towards that max?

A. No. These funds are placed in a separate 401a plan that does not count towards the allowable 457 maximum.

## Q. Do I need to enroll in the new 401a plan or initiate the deduction in some way?

A. No. Once you enroll in a 457 MissionSquare account, the CBJ 401a match will automatically begin.

## Q. I contribute to both pre-tax and ROTH accounts. Will my match be based on both?

A. Yes. The CBJ match will contemplate your total overall contributions to your 457 accounts.

## Q. If I stop or change my contributions, what happens?

A. The CBJ match will stop or change based on your deduction changes.

## Q. I have more questions. Who can I talk to at CBJ?

A. The Payroll division of Finance is happy to talk to you. Please email them at: [Payroll\\_Office@juneau.gov](mailto:Payroll_Office@juneau.gov) or call them at 907-586-5215 ext 4902