Introducing
The OAPT Deferred Compensation Plan

OAPT
Deferred Compensation Plan

Featuring
Traditional and Roth 457(b) Options

Administered by: BUCKEYE

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Lincoln Investment's Financial Advisor will have available a current prospectus of each fund whose shares are offered. There is no assurance that the techniques and strategies discussed are suitable for all investors or will yield positive outcomes. The purchase of certain securities may be required to effect some of the strategies. Investing involves risks including possible loss of principal.

Today's Topics

- Introduction to OAPT Deferred Comp Plan
- Why offer a 457(b)?
- Features of Traditional 457(b)
- Features of Roth 457(b)
- Traditional vs. Roth
- Contribution limits
- Loans

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The OAPT Deferred Comp Plan

- We are excited to introduce the launch of your plan!
- Available to all members of the OAPT
- Plan intended to increase visibility and awareness of OAPT, and increase membership
- Plan offers various key benefits: 3,000 investment options, Roth 457 option, loans and lifetime income options
- Plan and portfolio design customized to participant

About Buckeye Deferred Comp

- Dedicated team of financial planners that focusses on the needs of public sector employees
- Experience at the public sector employer and employee level
- In tune with trends and latest developments in the 457 plan marketplace

A Retirement Savings Advantage!

As a public sector employee, you are entitled to a unique benefit — one not offered to most taxpayers:

A 457(b) Plan

A 457(b) plan is not subject to the age 59 1/2 withdrawal rule. This means there is no 10% penalty for early withdrawal at retirement or upon termination of employment. Note: This benefit applies only to public (governmental) plans. Private plan participants generally will pay federal income taxes when funds are made available to them. They may, however, defer receiving funds and instead be taxed when they actually take a distribution.

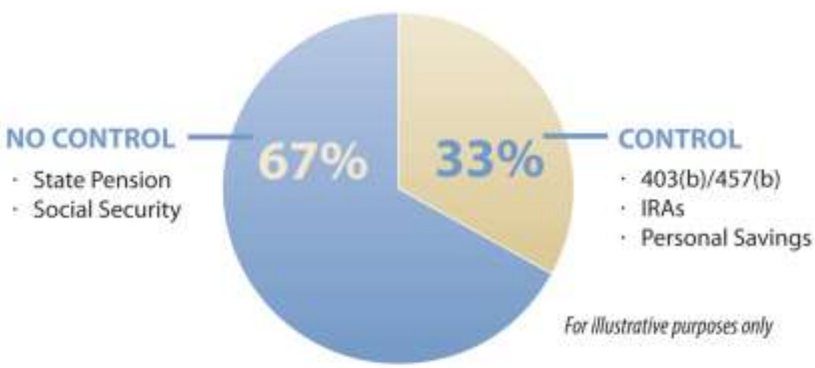
Traditional and Roth 457(b) Plans

The OAPT Plan offers both options:

- Traditional 457(b): pre-tax
- Roth 457(b): after-tax

This provides additional flexibility in planning retirement income

Why invest in a 457(b)?



Why Start Early?

This chart is for illustration purposes only and should not be considered a projection of potential returns for any particular investment. A plan of regular investing does not assure a profit or protect against loss in a declining market. Investment decisions should be based on an individual's own financial situation. You should consider your ability to continue your purchases over an extended period of time.

Traditional 457(b)

- Participants can lower their current income taxes. Every dollar contributed reduces participants' taxable income.

Federal Tax Rate	Annual Contribution ($200/month)	First Year Federal Tax Savings	Cumulative Federal Tax Savings (20 years)
15%	$2,400	$360	$7,200
25%	$2,400	$600	$12,000
28%	$2,400	$672	$13,440
33%	$2,400	$792	$15,840

The above example is for illustration purposes only. A 457(b) plan is not subject to the age 59 1/2 withdrawal rule. This means there is no 10% penalty for early withdrawal at retirement or upon termination of employment. Note: This benefit applies only to public (governmental) plans. A plan of regular investing does not assure a profit or protect against loss in a declining market. You should consider your financial ability to continue your purchases over an extended period of time. Tax rates and brackets are subject to change. None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.

Roth 457(b)

Would your employees like to withdraw their money **tax-free*** at retirement?

- Roth 457(b) does not offer the tax advantages up-front like the traditional 457(b)
- But it does have tax advantages on the back end

*Roth deferrals and associated earnings can be withdrawn tax-free in retirement if the requirements for a "qualified distribution" are met.

Roth Timeline for Retirement Plans

- The Economic Growth and Tax Relief Reconciliation Act of 2001 authorized Roth 401(k) and Roth 403(b) beginning January 1, 2006.
- The Small Business Jobs Act of 2010 expanded availability of Roth contribution provisions to 457(b) plans effective January 1, 2011.

Roth 457(b)

- Introduced in 2011
- Contributions made after tax
- Earnings grow tax-free
- Withdrawals not taxed as long as you are 59½ and have held the account for at least five years
- Not subject to required distributions at age 70 ½ if rolled to Roth IRA — great method of passing tax-free money to your heirs
- Contribution limits are much higher than those of a Roth IRA

Traditional vs. Roth 457(b)

	Traditional 457(b)	Roth 457(b)
Contributions	Pre-tax	After tax
Earnings	Grow tax defered	Grow tax free
Withdrawals	Taxed	Not Taxed As long as age 59 1/2 and account held for 5 years

This plan comparison is based on 2016 IRS rules and is intended for use as a general guideline and should not be construed as rendering legal or tax advice or a substitute for consulting legal council.

Which is right for your employees?

- For those in a lower tax bracket in retirement:
  - Traditional 457(b)
- For those in a higher tax bracket in retirement:
  - Roth 457(b)
- For those that believe they will be in the same tax bracket at retirement:
  - No clear advantage to either account

Roth 457 and Roth IRA?

- Both offer tax-free income during retirement, BUT:
- Roth 457 has higher contribution amounts and payroll deducted
- Roth IRAs are subject to income limits

Contribution Limits

Generally, participants cannot contribute more than the lesser of:

- $18,000 (the elective deferral limit for 2016)
- 100% of includible compensation

Plus

Contribution Limits

- Catch-up provisions
  - If you are age 50 or older, you may contribute an additional amount: $6,000 in 2016
  - Special “double-up” provision

Contribution Limits

- Can contribute to 457(b), Roth 457(b) or some combination of the two plans
- The combined contributions cannot exceed the year's total contribution limit: $18,000 in 2016 for those under 50 years of age; $24,000 with catch-up

Accessing Funds from a 457(b)

- Loan provisions
  - Lets you borrow from your own account
  - Loans paid back over five years
  - Longer payback period if used for purchase of primary residence
  - If your plan permits loans
- Withdrawals prior to age 59½*
  - Yes, if a qualifying event such as:
    - Death
    - Disability
    - Separation of service
    - Unforeseeable emergencies

*Additional 10% tax penalty may apply if distributions are attributable to rollovers from another type of plan or IRA.

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Building Your OAPT Plan Portfolio

- The OAPT Plan has extensive investment options
- Mutual funds
  - Over 3,000 mutual fund options
  - Over 50 mutual fund families available
  - Portfolios customized to the participant
  - Morningstar reports available with portfolio summary
- Products available that also provide lifetime income benefits during retirement

Diversification does not guarantee a profit or protect against a loss. There is no assurance that a fund will achieve its investment objective. A Fund is subject to market risk, which is the possibility that the market values of securities owned by a Fund will decline, and, therefore, the value of a Fund shares may be less than what you paid for them. Accordingly, you can lose money investing a Fund. A plan of regular investing does not assure a profit or protect against loss in a declining market. You should consider your financial ability to continue your purchase throughout periods of fluctuating price levels. Please obtain a prospectus for complete information including charges and expenses. Read it carefully before you invest or send money. None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.

Next Steps

- Please visit our booth for the brochure and plan implementation kit
- We are currently scheduling in-person visits
- Please complete and return the evaluation form for entry to our prize drawing