CITY OF DETROIT DEFERRED COMPENSATION 457(B) PLAN

Plan highlights

Your deferred compensation Plan is offered to City of Detroit employees as a way for you to save for the future you imagine. It allows you to invest money for retirement, separate from your pension or other retirement benefits and savings you may have.

Read these highlights to learn more about your Plan and how simple it is to enroll. If there are any discrepancies between this document and the City of Detroit Deferred Compensation 457(b) Plan Document, the Plan Document will govern.

What is a deferred compensation 457(b) Plan?

A deferred compensation 457(b) plan is a tax-advantaged retirement savings plan that allows eligible employees to save and invest money for retirement. By saving and investing today, you may have the best chance to achieve a more comfortable tomorrow.

The Plan provides these important advantages:

- It's simple and convenient. Your contributions are deducted automatically for each pay period.
- You may save on taxes. Contributions made before tax may cost less than you think.
- In addition to before-tax contributions, you can make after-tax Roth contributions.
- Any earnings are tax deferred, which can significantly boost your account balance over time.
- You are in control. You decide how much to invest and select the investment choices that are comfortable for you.

Who is eligible to enroll?

All current eligible employees are immediately eligible to enroll.

How do I enroll?

Getting started is easy. Visit **empower.com/cityofdetroit** and click Register to begin.

If you would like assistance, please contact the Empower Customer Care Center at **866-816-4400**. Representatives are available weekdays from 8:00 a.m. to 10:00 p.m. and Saturdays from 9:00 a.m. to 5:30 p.m. Eastern Time.

How much can I save?

- Contributions are made via payroll deductions and can be pre-tax or Roth.
- All participants can contribute up to $24,500 in 2026.*
- If you're age 50 or older in 2026, you can contribute an additional $8,000 in catch-up contributions.
- If you are between the ages of 60–63, you can contribute an additional $11,250. If you turn 64 in 2026, your additional catch-up amount is $8,000.
- You may roll over funds from another employer's eligible retirement plan or an IRA with no dollar limit. Carefully consider all your options, including tax implications, fees and expenses, before moving money between accounts. Assess all features of current accounts before moving money.
- Beginning January 1, 2026, if your prior-year FICA wages from your employer exceed $150,000, your age 50+ catch-up contributions must be made as Roth contributions.

** This is the federal contribution limit for governmental 457(b) plans for 2026.*

How do I change how much I am saving?

You can increase, decrease or stop your contribution at any time by logging in to your account at **empower.com/cityofdetroit** or calling the Customer Care Center at **866-816-4400**.

Pre-tax or Roth: Which path to take?

Before you determine which path may be right for you, you'll need to consider a few important factors, including when you want to pay taxes. Let's take a closer look.

Pre-tax contributions

You'll pay less in income taxes today when you make pre-tax contributions to the Deferred Compensation Plan. (Contributions are still subject to FICA and Medicare taxes.) Here's why: Each dollar you contribute reduces your current taxable income by one dollar.

Roth contributions

In addition to pre-tax contributions, the City of Detroit allows you to make after-tax Roth contributions. The Roth contribution option combines the savings and investment features of a traditional retirement plan with the federal tax-free qualified distribution features of the Roth IRA.

Income taxes on pre-tax contribution amounts are deferred until your account is distributed (for example, at retirement). Roth contributions, on the other hand, are made on an after-tax basis, so the amount contributed is included in your W-2, just like regular income, in the year you make the contribution. However, any earnings on Roth contributions may be distributed tax-free in retirement if you meet certain requirements.*

*Roth withdrawals are federally tax-free if they are qualified distributions as defined by the IRS. To be qualified, the account must have been open for at least five years, and the withdrawal must occur after age 59½, death, or disability. Earnings withdrawn before those conditions are met may be subject to taxes and penalties. Tax laws are subject to change. State and local taxes may still apply.

How do I invest my savings in the plan?

The Plan offers a wide range of investment options. For more information about these various choices, please visit **empower.com/cityofdetroit** and click on the Investments tab. Each available investment option has a fact sheet that provides details such as the objective of the fund, its performance, fees, underlying investments and more.

If you need help making an investment decision, Retirement Plan Advisors are available to meet with you at any time. You can schedule a virtual one-on-one appointment with a Retirement Plan Advisor by going to **empower.com/cityofdetroit** and clicking on the *schedule a meeting* tab.

How do I make investment option changes?

You can move all or a portion of your existing balances among investment options (subject to Plan rules) and change how your payroll contributions are invested. You may make these changes by logging in to your website at **empower.com/cityofdetroit**, using the mobile app or using the voice response system at **866-816-4400**.

May I take a loan from my account?

You may borrow up to 50% of your total account balance, not to exceed $50,000 in a 12-month period.

- Minimum loan: $1,000.00
- Repayment period: Payroll deduction over a maximum of five years. You may have up to 30 years to repay if you are using the loan to purchase your primary residence.
- Tax consequences: None if the loan is repaid in full.

For more information about loans, and how they may impact the future you imagine, please visit **empower.com/cityofdetroit**.

When can I receive a distribution from my account?

Qualifying distribution events are as follows:

- Retirement
- 59 ½
- Unforeseeable emergency within Plan guidelines (as defined by the Internal Revenue Code and if allowed by Plan provisions)
- Severance of employment (as defined by Internal Revenue Code provisions)
- Reaching Required Minimum Distribution (RMD) age
- Death (your beneficiary receives your benefits)

Each distribution is subject to ordinary income tax.

Governmental 457 funds rolled into another type of plan or account may become subject to the 10% early withdrawal penalty if taken before age 59½.

What are my distribution options?

When you are eligible for a distribution, you may:

1. Leave the value of your account in the Plan until a future date.
2. Receive:
    - A lump sum
    - A partial lump sum
    - Periodic payments
3. Roll over your account balance to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or to an IRA. Carefully consider all your options, including tax implications, fees and expenses, before moving money between accounts. Assess all features of current accounts before moving money.

What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account. Your beneficiary(ies) can call **866-816-4400** to request a death claim form.

Can I get personalized support?

From dedicated on-site and virtual educational opportunities and planning support to a customized website and toll-free telephone number, City of Detroit deferred compensation 457(b) plan provides the tools you need to make the most of your account.

Visit **empower.com/cityofdetroit** today to get started or call **866-816-4400** for assistance. Customer Care Center representatives are available weekdays from 8:00 a.m. to 10:00 p.m. and Saturdays from 9:00 a.m. until 5:30 p.m. Eastern Time.

The plan provides on-site and virtual meetings with dedicated Retirement Plan Advisors offering all employees access to their valuable services. Retirement Plan Advisors are available to meet with you at any point to develop a comprehensive retirement planning strategy.

You can schedule a virtual one-on-one appointment with a Retirement Plan Advisor by going to **empower.com/cityofdetroit** and clicking on the *Schedule a meeting* tab.

You can also scan the QR code to schedule an appointment.

Accessing the Program on the go

With the Empower mobile app, you can access your deferred compensation plan from your smartphone or tablet — anywhere, anytime. The app enables you to view your account balance, investments, performance and more. Install the mobile app today! It's available on Google Play™ or from the App Store® from Apple®.

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Investing involves risk, including possible loss of principal.

Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read them carefully before investing.

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