When a correctional officer retires, they can roll 401k, 457, leave credits and special retirement accounts (POFF in CA), into an IRA annuity.

They must check with their personnel department to see what is allowed.

They should also check if they are allowed to do a catch-up (more than the $17,500 in a given year) on their contributions. If a corrections department employee retires in November or December, the state may allow them to contribute their maximum amounts for the current calendar year as well as the next.

You want to try and put as much of that money as you can into a 457 first... and then a 401K.

Explain the age restrictions and go over the income rider illustration.

They don't want to take a check for all of their leave credits or deferred compensation plan however... imagine that tax bill!

What we do is show them how to turn that money into a supplemental pension that does 3 things.

1) **Provides a guarantee.** They can never lose their principal and are guaranteed an income for life.
2) **Protects them from taxes.** If they get a check for $70,000 for their leave credits, how much do you think they will have to come out of pocket? What this does is drip the money on them monthly, yearly, how ever they want it so that they only pay taxes on what they actually draw down as income.
3) **Makes sure they will never run out of their supplemental income.**

I know guys in the department who have blown through their 457 and then needed to go out and get a part-time job. This keeps them from needing to do that.

An extra $300-$400 per month might not sound like a lot, but it is a great hedge against inflation and tax increases.

They will know they will ALWAYS have that money coming in!