

Program Highlights

County Schools FBC Deferred Compensation Program

The Fringe Benefits Consortium Deferred Compensation Program (FBC) is designed exclusively to help educators build and grow their savings to achieve their retirement dreams through a variety of options available in the plan.

Read these highlights to learn more about your Plan. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

WHAT IS A 403(b), ROTH 403(b), OR 457(b) PLAN?

403(b) or 457(b) refer to a section in the IRS Code that allows you to save part of your income on a PRE-TAX basis. This lowers your current taxable income and helps your long term savings grow faster. Your 403(b) and 457(b) savings will not be taxed until withdrawn.

The Roth 403(b) plan enables you to save part of your income on an AFTER-TAX basis. Your Roth 403(b) savings may be withdrawn tax-free.

WHY SHOULD YOU INVEST IN THE 403(b), ROTH 403(b), AND 457(b) PLANS?

You may save as much as \$36,000 on a tax deferred basis per year:

- Up to 100% of your income
- Up to \$18,000 in 2017 in the 403(b) and Roth 403(b) Plans (combined)
- Up to \$18,000 in 2017 in the 457(b) Plan
- 100% Vested

You may save even more if you are eligible under the special catch-up provisions, which could allow you to save up to \$63,000:

403(b) and Roth 403(b) Plans

- Up to an additional \$6,000 if you are over age 50, AND
- Up to an additional \$3,000 if you have over 15 years of service with your current employer (You may be eligible to defer up to a combined maximum of \$27,000 into the 403(b) and Roth 403(b) Plans during 2017 using the special catch up provisions.)

457(b) Plan

- Up to an additional \$6,000 if you are over age 50, OR
- Up to an additional \$18,000 if you are in your final three years prior to normal retirement age (You may be eligible to defer up to a maximum of \$36,000 into the 457(b) Plan during 2017 using the special catch-up provisions.)

WHAT IS THE PLAN YEAR FOR FBC DEFERRED COMPENSATION PROGRAM?

The Plan Year is the consecutive twelve-month period beginning on January 1 and ending on December 31.

WHO CAN PARTICIPATE?

All current employees are eligible to participate in the Plan.

WHEN MAY I JOIN?

Eligible employees may join the Plan on their date of hire or any day thereafter.

HOW DO I JOIN THE PLAN?

The participant must complete enrollment materials available online at www.MyFBCretirement.com or at the FBC Office.

HOW DO I CONTRIBUTE TO THE PLAN?

- You may defer a portion of your salary on a monthly basis by completing the “FBC Salary Reduction Agreement” included in the enrollment packet
 - If you have an existing qualified retirement plan (pre-tax), 403(b) tax deferred arrangement or governmental 457 plan with a prior employer, or hold a Tax-Deferred IRA account, you may transfer or roll over that account into the Plan anytime. You may do so by completing the “Empower Transfer In/Rollover In Request Form” and the “Incoming Transfer/Direct Rollover Form” included in the enrollment packet.

HOW ARE PLAN CONTRIBUTIONS INVESTED?

You give investment directions for your Plan account, selecting from investment choices provided under the Plan, as determined by the FBC Deferred Compensation Program.

- You may change your investment choices daily. There is no fee for changing your investment choices, unless you elect to participate in the Self-Directed Brokerage Account (SDBA).
- You may change your contribution amount at any time by completing a new salary reduction agreement.
- More information about your Plan’s investment choices can be found elsewhere in these materials or online at www.MyFBCretirement.com.¹

The Plan is intended to comply with ERISA Section 404(c) even though it is not subject to Title I of ERISA. This simply means that you “exercise control” over some or all of the investments in your Plan account. The fiduciaries of the Plan may be relieved of liability, or responsibility, for any losses that you may experience as a direct result of your investment decisions.

As a plan participant, you may request certain information from Dan Puplava at the FBC Office. This information includes: annual operating expenses of the Plan investments; copies of prospectuses, financial statements, reports, or other materials relating to Plan investments provided to the Plan; a list of assets

contained in each Plan investment portfolio; the value of those assets and fund units or shares; and the past and current performance of each Plan investment.

HOW CAN I GET HELP CHOOSING MY INVESTMENT OPTIONS?

There are financial calculators and tools on the website that can help you determine which investment options might be best for you if you would like to construct the FBC accounts yourself.

The FBC offers access to three different levels of investment advisory tools and services called Advisory Services, offered by Advised Assets Group, LLC (AAG), a registered investment adviser. You can have AAG manage your retirement account for you. Or if you prefer to manage your retirement account on your own, you can use Online Investment Guidance and Advice tools. These services provide a retirement strategy based on your investment goals, time horizon and tolerance for risk.

The FBC also offers a Self-Directed Brokerage Account (SDBA), which allows you to select from numerous mutual funds and other types of securities, such as stocks and bonds, outside of the Program's core investment options for an additional fee or fees. These securities are not offered through GWFS Equities, Inc.

Before investing, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other important information, and they may be obtained by contacting your SDBA provider. Investors should read prospectuses carefully before investing.

For more detailed information about your investment options, please visit the FBC's website at www.MyFBCretirement.com or call the voice response system at **(844) SDCS-RET**.

CAN I MAKE CATCH-UP CONTRIBUTIONS TO THE PLAN?

If you are age 50 or older and make the maximum allowable deferral to your Plan, you are entitled to contribute an additional "catch-up contribution". The catch-up contribution is intended to help eligible employees make up for smaller contributions made earlier in their careers. The maximum catch-up contribution is \$6,000 for 2017. See your Benefits Administrator for more details.

WHEN CAN MONEY BE WITHDRAWN FROM MY PLAN ACCOUNT?

Money may be withdrawn from your Plan account in these events:

403(b)* and Roth 403(b)**	457(b)*
Termination of Employment	Termination of Employment
Your attaining age 59½	Unforeseeable Emergency
Hardship	70½ Required Minimum Distribution
Death	Death
Disability	Disability
70 ½ Required Minimum Distribution	

Be sure to talk with your tax advisor before withdrawing any money from your Plan account.

*A 10% early distribution penalty applies to 403(b) distributions for participants under the age of 59½. Withdrawals may be subject to ordinary income tax. If you are separated from service and over 55, the

10% penalty may not apply. The 10% federal early withdrawal penalty does not apply to 457 plan withdrawals except for withdrawals attributable to rollovers from another type of plan or account. Please consult a Tax Advisor.

**Generally, any earnings in the Roth 403(b) Plan are not taxable upon normal withdrawal. However, earnings may be taxable upon withdrawal if you have not had the Roth 403(b) account for at least 5 years and you are not withdrawing for death, disability, or age 59 ½. Please note that as of the date of printing, the IRS had not yet finalized guidelines governing the withdrawals from the Roth 403(b) Plan.

MAY I WITHDRAW MONEY IN CASE OF FINANCIAL HARDSHIP OR AN UNFORESEEABLE EMERGENCY?

If you have an immediate financial need created by severe hardship and you lack other reasonably available resources to meet that need, you may be eligible to receive a hardship withdrawal from your account. You may also be eligible to withdraw funds if you have met an unforeseeable emergency as defined in the Plan Document.

If you feel you are facing a financial hardship or an unforeseeable emergency, you should see your Benefits Administrator for more details. You will be required to cease contributions to the 403(b) and Roth 403(b) Plans for a period of six months if you withdraw money due to a financial hardship.

MAY I BORROW MONEY FROM MY ACCOUNT?

The Plan is intended to help you put aside money for your retirement. However, the FBC Deferred Compensation Program has included a Plan feature that lets you borrow money from the Plan.

- The amount the Plan may loan to you is limited by rules under the tax law. All loans will be limited to the lesser of; one-half of your vested account balance or \$50,000
- The minimum loan amount is \$1,000.
- General loans must be repaid within five years. Residential loans may exceed five years.
- You pay loan interest back into your account. The interest rate on your loan will be the Prime Rate plus 2%.
- A \$75 processing fee for new loans and a \$25 per year maintenance fee are charged to your account.
- Loans are permitted from all plan types (403(b), 457(b), etc.)

HOW CAN I LEARN MORE ABOUT THE PLAN?

Visit www.MyFBCretirement.com or contact **844-SDCS-RET**.

WHAT ARE THE FEES ASSOCIATED WITH THE PROGRAM?

The following general fees and transaction fees apply to the *Empower Retirement - SDCOE/Fringe Benefits Consortium 403(b)/457(b) Program* vendor on your districts approved vendor list.

General Fees

- 0.13% asset based wrap fee
- 0.03% asset based administration fee

A portion of the fee listed above is forwarded as compensation for administrative services to the FBC Deferred Compensation Program. National Benefit Services, LLC (NBS) receives compensation of 3 bps (0.03%) annually based on plan assets held by Empower Retirement.

Advisory Services

While there is no cost to use Online Investment Guidance, there is a \$25 annual fee, assessed at \$6.25 quarterly, for Online Investment Advice.

If you choose to have AAG manage your account for you, an annual Managed Account fee will be assessed in quarterly installments based on your account balance, as follows:

Participant Account	Annual Fee
Less than \$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
Greater than \$400,000	0.15%

For example, if your account balance is \$50,000, the maximum annual fee will be 0.45 percent of the account balance. If your account balance is \$500,000, the first \$100,000 will be subject to a maximum annual fee of 0.45 percent; the next \$150,000 will be subject to a maximum annual fee of 0.35 percent; the next \$150,000 will be subject to a maximum annual fee of 0.25 percent; and any amounts over \$400,000 will be subject to a maximum annual fee of 0.15 percent.

There is no guarantee that participation in Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

Transaction Fees

- \$25 Distribution/Rollover Fee (including hardships and unforeseeable emergency withdrawals)
- \$75 Loan Processing Fee and \$25 Annual Loan Maintenance Fee
- Up to \$1.50 per month compliance fee (Not specific to Empower Retirement) assessed for each participant account that maintains a 403(b) or 457(b) plan balance. This is a plan specific fee and applies to all approved vendors for your district's 403(b) and 457(b) plans.
- There are additional transaction fees for participants who wish to utilize the SDBA.

Please note that there are no front-end loads, back-end loads, or surrender fees associated with the SDCOE/Fringe Benefits Consortium 403(b)/457(b) Program offered through Empower Retirement.

Comparing the Plans

	403(b) and Roth 403(b)	457(b)
Contribution Limits	\$18,000	\$18,000
Additional Catch-up	15 Years of Service Rule	Final 3 Year Rule
Age 50 Catch-up	\$6,000	\$6,000
Section 415 Limit	100% to \$53,000	N/A
Compensation	Calendar Year + Deferrals (for 125, 457(b) & 403(b)) If terminated, then last 12 months of service is used for 5 years following year of termination	Calendar Year + Deferrals (for 125, 457(b) & 403(b))
Loans	50% of total account balance up to \$50,000. Paid back over 5 years or less. Defaulted loans are taxable. If a participant defaults or has previously defaulted on a plan loan, no further loans will be permitted from the plan.	
Distributions	Only for death, disability, retirement, termination of employment, hardship (no contributions are permitted for 6 months following a hardship distribution), Age 59½, and Age 70½ minimum distributions.	Only for death, disability, termination of employment, unforeseeable emergency and Age 70½ minimum distributions
Early Distribution Penalty	10%	None

1 Transfer requests received on business days prior to close of the New York Stock Exchange (1:00 p.m. Pacific Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

Investing involves risk, including possible loss of principal. This material has been prepared for informational and educational purposes only. It is not intended to provide, and should not be relied upon for investment, accounting, legal or tax advice.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker-dealers.

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Empower Retirement refers to the products and services offered in the retirement markets by GWL&A, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: NY, NY; and their subsidiaries and affiliates. Empower Retirement Advisory Services are offered by Advised Assets Group, LLC (AAG), a registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company. More information about AAG can be found at www.adviserinfo.sec.gov. National Benefit Services, LLC is not affiliated with GWFS Equities, Inc. The trademarks, logos, service marks, and design elements used are owned by their respective owners and are used by permission. ©2017 Great-West Life & Annuity Insurance Company. All rights reserved. Form CB1229PH AM93564-0117