



DEFINED CONTRIBUTION PLAN – INVESTMENT PLAN FEATURES AND HIGHLIGHTS

In your defined contribution investment plan, you pick how your money will be invested for retirement and you assume the investment risk.

The State Employees’ Retirement Board selected **Empower Retirement** as the third-party administrator of this plan.

Empower Mailer

You will receive a letter from **Empower Retirement** in the next few days, welcoming you to the Defined Contribution Plan. After you receive that letter, you can register your online account, name your beneficiaries, and choose your investments.

Contributions

You and your employer contribute to your investment plan each pay period.

Your employer automatically withholds a percentage of your pay and transfers it to your investment account – that is your contribution. Your employer also contributes an amount equal to a percentage of your pay and transfers it to your investment account – that is your employer’s contribution. The percentages are set by law in the State Employees’ Retirement Code.

In addition to those mandatory contributions, you have the option to make additional voluntary contributions toward your defined contribution investment plan. There may, however, be tax advantages to making those voluntary contributions toward your deferred compensation investment plan instead. Consult a tax advisor for more information.

Vesting

Vesting in this type of plan refers to when you earn the right to portions of your account.

Your contributions (including rollovers from previous employers and earnings) are immediately vested. Employer contributions are vested after three years of service.

In other words, if you leave state employment before you work three years, you have a right to your contributions and earnings; however, you would have no right to the amount your employer contributed. The value of your contributions, and any employer contributions, will vary with investment gains and losses.

Plan Fees

Recordkeeping or Administrative Fees:

The commonwealth is covering these fees on a temporary basis during the start-up period.

Investment Option Fees:

Each investment option has its own operating expenses. These fees are deducted by each investment option’s management company before the daily price or performance is calculated. Fees pay for trading of securities within the investment options and other management expenses.

Funds may impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. Asset allocation funds are generally subject to an operating expense at the fund level, as well as prorated operating expenses of each underlying fund in which they invest. For more information, please refer to the fund fact sheets at **www.SERS.pa.gov**. Funds are subject to the risks of the underlying funds.

There are additional quarterly fees and/or transaction fees to participate in the Self-Directed Brokerage option, see **www.SERS.pa.gov**.

Empower Retirement Advisory Services:

Get specific fund recommendations with Online Advice or have your account professionally managed with My Total Retirement™. These services are provided by Advised Assets Group, LLC (AAG), a registered investment adviser.¹

The annual fee for this service is charged quarterly and is based on a percentage of your assets under management as shown below.

Assets Under Management	Annual Service Fee
Up to \$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
Amounts in excess of \$400,000	0.15%

Please note the fees in this chart are subject to change. Please log in to your account to view the most updated fee schedule.

Questions or Request Your Free Retirement Readiness Review*
1.800.633.5461, option 1 | www.SERS.pa.gov



If you are a do-it-for-me investor, you might choose My Total Retirement to give AAG the ability to make investment choices on your behalf based on your personal goals and financial situation. My Total Retirement provides you with a personalized and strategically designed retirement portfolio that is monitored, and investment changes are made for you each quarter as necessary.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

Transfers and Allocation Changes²

You can move all or a portion of your account balances among investment options (subject to plan rules) and change how your payroll contributions are invested through the plan in your online account.

Rollovers

Balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or other qualified plans may be rolled over to the plan. As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers, with a financial advisor and to consider costs, risks, investment options, and limitations prior to investing. Contact an Empower Retirement Advisor for assistance by calling **1.800.633.5461, option 1**.

Withdrawals/Distributions

Your defined contribution account is eligible for withdrawals or distributions in the following circumstances:

- You retire
- You change jobs and no longer work for a SERS-participating employer
- You die (payment issued to your designated beneficiary)
- You have a domestic relations order (DRO)

Ordinary income tax may apply to each distribution. Distributions received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty. Refer to the *Plan Document* for the Defined Contribution Plan at **www.SERS.pa.gov** for more information.

Investment Options

The State Employees' Retirement Board selected a range of investment options for you to choose from, including:

- Target date funds
- Money market fund
- Equity funds
- Fixed income funds
- Self-directed brokerage.
This option is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in it.

Each option is explained in further detail in fund fact sheets at **www.SERS.pa.gov**.

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

Investing involves risk, including possible loss of principal.

You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect the sponsor to provide financial support to the fund at any time.

*The Retirement Readiness Review, provided by an Empower representative, may provide investment counseling and/or recommendations.

The Retirement Readiness Review is provided by an Empower representative registered with Advised Asset Group, LLC at no additional cost to you. There is no guarantee provided by any party that use of the review will result in a profit.

1 Online Advice and My Total Retirement™ are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

2 Transfer requests received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or in 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.

Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling 888-393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated.

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Carefully consider the investment option's objectives, risks, fees and expenses. Contact us for a prospectus, summary prospectus or disclosure document containing this information. Read each carefully before investing. For prospectuses related to investments in your self-directed brokerage account (SDBA), contact your SDBA provider. Read them carefully before investing.

GWL&A and/or its subsidiaries are not responsible for, have not reviewed and do not endorse the content contained on www.SERS.pa.gov.

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