

City and County of San Francisco Deferred Compensation Plan Features and Highlights

The City and County of San Francisco Deferred Compensation Plan (SFDCP) is a powerful tool to help you discover your retirement potential. As a supplement to other retirement benefits or savings that you may have, this voluntary Plan allows you to save and invest extra money for retirement ... tax deferred!

Not only will you defer taxes immediately, you may build extra savings consistently and automatically, select from a variety of investment options, and learn more about saving and investing for your financial future.

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 Plan Document or Summary Plan Description, the Plan Document and/or Summary Plan Description will govern.

Getting Started

What is a 457 deferred compensation plan?

A governmental 457(b) deferred compensation plan (457 plan¹) is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken at retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions are subject to ordinary income tax.

Why should I participate in the Plan?

You may want to participate if you are interested in saving and investing additional money for retirement and/or reducing the amount of current

state and federal income tax you pay each year. Your SFDCP can be an excellent tool to help make your future more secure.

You may also qualify for a federal income tax credit by participating in this Plan. For more information about this tax credit, please contact your Great-West Retirement Services[®] representative.

Is there any reason why I should not participate in the Plan?

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or expect to be in a higher tax bracket during your retirement.

How do I enroll?

Complete the appropriate enrollment forms, indicating the amount you wish to contribute, your investment option selection(s), and your beneficiary designation(s). Please return the form(s) to your Great-West Retirement Services representative.

What are the contribution limits?

In 2009, the maximum contribution amount is 61% of your compensation, less any mandatory before-tax contributions to a governmental pension plan, or \$16,500, whichever is less.

Participants in the SFDCP have two different opportunities to catch up and contribute more during the final years of their career. “Standard Catch-Up” allows participants in the three calendar years prior to normal retirement age to contribute more (up to double the annual contribution limit—\$33,000 in 2009) to the 457 Plan.

The additional amount that you may be able to contribute under the Standard Catch-Up option will depend upon the amounts that you were able to contribute in previous years but did not.

¹ All references to the 457 Plan are to a governmental 457(b) plan.

Also, participants turning age 50 or older in 2009 may contribute an additional \$5,500. You may not use the Standard Catch-Up provision and the Age 50+ Catch-Up provision in the same year.

What are my investment options?

A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund data sheets. Investment option information is also available through the Web site at www.sfdcp.org and KeyTalk[®], toll free, at (888) SFDCP4U (888-733-2748). The Web site and KeyTalk are available to you 24 hours a day, seven days a week.²

In addition to the core investment options, a self-directed brokerage (SDB) account is available. The SDB account allows you to select from numerous mutual funds for additional fees. These securities are not offered through GWFS Equities, Inc. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

Managing Your Account

How do I keep track of my account?

Great-West Retirement Services will mail you a quarterly account statement showing your account balance and activity. You can also check your account balance and move money among investment options on the Web site at www.sfdcp.org or by calling KeyTalk at (888) SFDCP4U.² You will also receive quarterly statements on your SDB account from

² Access to KeyTalk and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Web site or KeyTalk received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern 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.

your SDB provider. The SDB provider will send you a monthly statement if you have account activity in any given month.

How do I make investment option changes?

Use your Personal Identification Number³ (PIN) and Username to access the Web site, or you can use your Social Security number and PIN to access KeyTalk.² 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.

How do I make contribution changes?

Fill out a Salary Reduction Agreement available from your Great-West Retirement Services representative.

Rollovers

May I roll over my account from my former employer's plan?

Yes, but only approved balances from an eligible governmental a 401(a), 401(k), 403(b) or an eligible governmental 457(b) plan or an Individual Retirement Account (IRA) may be rolled over to the Plan. Please check with your Great-West Retirement Services representative regarding any applicable fees on the rollover account.

May I roll over my account if I leave employment with my current employer?

If you sever employment with your current employer, you may roll over your account balance to another eligible governmental 457(b), 401(k), 403(b) or 401(a) plan if your new employer's plan accepts such rollovers. You may also roll over your account balance to an IRA.

³ The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

Please keep in mind that if you roll over your 457 Plan balance to a 401(k), 403(b) or 401(a) plan or an IRA, distributions taken before age 59½ may also be subject to the 10% early withdrawal federal tax penalty. Please contact your Great-West Retirement Services representative for more information.

Vesting

When am I vested in the Plan?

Vesting refers to the percentage of your account you are entitled to receive from the Plan upon the occurrence of a distributable event. Your contributions to the Plan and any earnings they generate are always 100% vested (including rollovers from previous employers).

Distributions

When can I receive a distribution from my account?

Qualifying distribution events are as follows:

- Retirement
- Permanent disability
- Unforeseeable emergency (as defined by the Internal Revenue Code)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Attainment of age 70½ (if allowed by your Plan)
- Death (upon which your beneficiary receives your benefits)
- In-service transfer to purchase service credit

Each distribution is subject to ordinary income tax except for an in-service transfer to purchase service credit.

What are my distribution options?

- 1) Leave the value of your account in the Plan until a future date.
- 2) Receive payment in the following form:
 - Periodic payments
 - Fixed annuity payments
 - Partial lump sum with remainder paid as periodic payments or annuity payments
 - A lump sum

- 3) Roll over your account balance to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or to an IRA.

What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact a Great-West Retirement Services representative to request a distribution.

Fees

Are there any recordkeeping or administrative fees to participate in the Plan?

The revenue requirement to administer the plan is 0.10% per annum. Revenue sharing payments from your Plan's investment options are used to offset this Plan administrative fee.

Are there any fees for the investment options?

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading individual securities in the underlying investment options and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges.

There are additional quarterly fees and/or transaction fees to participate in the SDB account option.

Are there any distribution fees?

There are no fees for distributions.

Taxes

How does my participation in the Plan affect my taxes?

Because your contributions are taken out of your paycheck before taxes are calculated, you pay less in current income tax. You do not report any current earnings or losses on your account on your current income tax return, either. Your account is tax-deferred until you withdraw money, usually at retirement.

Distributions from the Plan are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies).

Investment Assistance

Can I get help with my investment decisions?

Employees of Great-West Retirement Services cannot give investment advice. There are financial calculators and tools on the Web site that can help you determine which investment options might be best for you if you would like to construct your Plan account yourself.

How do I get more information?

Visit the Web site at www.sfdcp.org or call KeyTalk, toll free, at (888) SFDCP4U (888-733-2748), for more information.² The Web site provides information regarding your Plan and financial education, as well as financial calculators and other tools to help you manage your account.

Securities (except for the Self-Directed Brokerage (SDB) option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company and an affiliate of FAScore, LLC (FAScore Administrators, LLC in California) and First Great-West Life & Annuity Insurance Company, White Plains, New York.. Securities available through the SDB account are not offered by GWFS Equities, Inc.

Investment options may be offered through mutual funds, collective trust funds, and/or a group fixed and variable deferred annuity issued by Great-West Life & Annuity Insurance Company.

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and

its subsidiaries and affiliates. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services.

Your Plan may utilize one or more of the following annuity policy form numbers: GDC 177, GTSA 179, GTSA 279, GDCA 180, GDCA 184, GTSMF 1-84, GDCMF 1-84, GTSA 184, GATSA 184, GATSMF 184, QGAC 985, QGAC-CDSC 685, QGP 685, QGAC 1289, QGAC 1089, QGAC 490 FFSII, GDCMF 190, GDC 990 FFSII, GTDAMF 92 ER, GTDAMF 92 VOL, GTDAGF 92 VOL, GTDAGF 92 ER, QGAC 1-94, STAC 1-95, GFF 1-97, GPF 1-00, GFAC 1-02, GFVAC 1-02, GFAC 1-05, GFVAC 1-05. GPF 1-00 (NY).

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