



WEST VIRGINIA *Retirement Plus*

DEFERRED COMPENSATION PLAN: PLAN HIGHLIGHTS



Saving for your Future

Welcome to the West Virginia Retirement Plus Deferred Compensation Plan, your bridge to a secure retirement future.

As a participant, you can use this voluntary program to make pretax or Roth (after-tax) contributions or both to your Plan account. Earnings on both types of contributions will grow tax-deferred. This allows you to supplement your personal savings, as well as your pension and Social Security benefits, to ultimately help you satisfy your future income needs.

Empower Retirement, the recordkeeper for the Plan, provides you with essential resources, services and communications to help you replace 100% of your working income in retirement — for life. In addition, the West Virginia Office of the State Treasurer oversees the Plan on your behalf.

Remember, it's never too early to start planning — and saving — for both the retirement and future that you deserve.

Becoming Eligible

Immediately following your start date, you're eligible to join the Plan. There is no age or service-length requirement.

If you were hired by the state on or after July 1, 2007, you will be automatically enrolled in the Plan and deemed to have elected to defer \$10 per pay period.

All employees, including permanent part-time and leased employees, are eligible to enroll in the Plan. This also pertains to individuals who perform services by appointment or election for which compensation is paid.

Employees of cities, counties, towns and political subdivisions that have adopted the Plan are also eligible to enroll.

Enrolling Today

Saving through the Plan is a smart, simple way to achieve a more rewarding future. By enrolling, you can start to take advantage of everything the Plan has to offer — likely without noticing a substantial difference in your take-home pay.

Determining your Contribution

Are you ready to see what savings momentum can do for your future? If so, add *contributing to the Plan* to your to-do list for reaching your financial goals.

To contribute, you defer a specific dollar amount of your pay to the Plan.

The minimum contribution is \$10 per pay period. In 2017, the maximum you can defer is the lesser of \$18,000 or 100% of your includible compensation if you are under age 50 or \$24,000 if you are 50 or older. To change your contribution amount, simply fill out a new participation agreement.

As you continue to progress toward your financial goals, remember that any earnings are tax deferred until you receive a distribution, which is usually in retirement.

More good news: Low- and middle-income-bracket employees may be eligible to receive the Federal Tax Saver's Credit of up to 50% on contributions up to \$2,000.

Catch-up contributions

If you're nearing retirement age, time is still on your side. In fact, you may be eligible to save even more.

The Standard Catch-up provision allows you to contribute up to double the annual contribution limit, or \$36,000, in the three calendar years prior to normal retirement age. This figure depends on the amount you were able to contribute but did not. Please contact the Treasurer's Office or your Empower representative for assistance in determining your eligibility to utilize this option.

Roth contributions

The Roth option gives you the flexibility to designate all or part of your elective deferrals as Roth contributions. You make all Roth contributions with after-tax dollars as opposed to traditional before-tax dollars.

In other words, with the Roth option, you've already paid taxes on the money you contribute.

You receive your big tax benefit at retirement when you can withdraw the money, including investment gains, tax free as long as you are over age 59½ and have had the Roth account for five years.

Maintaining your account

Vesting refers to the percentage of your account that you are entitled to receive when you leave service with your employer. To keep you on the right track, you are always 100% vested in your account balance under the Plan. Once you retire or terminate service you may leave your account in the Plan, but you cannot contribute additional monies unless you join another participating governmental employer.

Choosing your investments¹

How you invest your contributions plays an important role in shaping your retirement. That's why the Plan offers a wide array of investment options that range from aggressive to conservative. If you want to be in the market you can select from Index, Active Managed or Target Date options from some of the finest investment managers in the industry.

By investing through the Plan, you can build a diversified portfolio — one that fits your current lifestyle, time horizon and risk tolerance.

Signing up for Advisory Services

Regardless of your investing style, you can use Empower Retirement Advisory Services (Advisory Services), provided by Advised Assets Group, LLC (AAG), a registered investment adviser, to create a personalized strategy that fits your individual needs.

Do you want a push in the right direction, a little advice to get started or the ability to manage your own portfolio? Based on your level of comfort, choose the service that can help you pursue your retirement goals:

- Online Investment Guidance (included at no additional cost to you)
- Online Investment Advice (\$25 per year, or \$6.25 per quarter)
- Managed Account service (fee based on a percentage of your account balance)
 - First \$100,000 ... 0.45%
 - Next \$100,000 to \$250,000 ... 0.35%
 - Next \$250,000 to \$400,000 ... 0.25%
 - Amounts more than \$400,000 ... 0.15%

For more information about Advisory Services, visit the Plan's website at wv457.com or call **1-800-551-4218** to speak with an AAG investment adviser representative.²

There is no guarantee that participation in any of the advisory services will result in a profit or that the account will outperform a self-managed portfolio invested without assistance.

Understanding fees

As you get to know the Plan, as well as your account features, you will begin to recognize the different fee types.

Recordkeeping/administrative fees

Fees are associated with each fund to help pay for administrative and maintenance costs within the Plan. This results in a structure in which you, as well as all other participants, share in some Plan costs and expenses. In addition to these fund expenses, some funds maintain an explicit administrative fee.

Distribution fees

There is currently no fee for taking a distribution.

Investment option fees

Each investment option has its own operating expenses that each management company deducts before it calculates the daily price or performance. Fees pay the manager for managing the fund, 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 a fund operating expense at the fund level as well as prorated fund operating expenses related to each underlying fund in which they are invested.

These asset allocation options are also subject to the risks of the underlying funds.

There may be a recordkeeping or administrative fee for investing in certain investment options. There may also be additional quarterly fees and/or transaction fees to participate in the self-directed brokerage account (SDBA) option (see below).

For more information on fees, please refer to the fund prospectus, *Investment Options at a Glance* or the Plan website. You can also contact an Empower representative.

To select or change your investments, call **1-800-551-4218** or visit wv457.com.² You have access to both the website and the voice response system 24 hours a day, seven days a week.

In addition to the available investment options, you can utilize an SDBA, which allows you to select from numerous investment options for an additional fee.

Are you a knowledgeable investor who understands the risks associated with certain investments? If so, an SDBA may be right for you and your current situation.

Consolidating your accounts

To maintain an efficient pursuit of your financial goals, you may want to combine any previous employer accounts with your current Plan account. With everything in one place, you can easily manage and track your retirement savings progress.

You can roll over assets from a prior 401-qualified plan, 403(b) tax-deferred annuity program or governmental 457 plan as well as from a traditional IRA.

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations related to your investment options.

For rollovers out of the Plan, when you qualify to take a distribution, you can roll over all distributions except for:

- A withdrawal for an unforeseeable emergency.
- A required minimum distribution (RMD) payable after you reach age 70½ or retire (whichever comes later).
- A periodic payment made over your life or a specified period of 10 years or more.

Upon your death, your surviving spouse may also receive permission to roll over any of your death benefits. In addition, a non-spouse beneficiary may roll over a death benefit to an IRA (or to an annuity), which is then treated as an inherited IRA.

Taking a distribution

In order to take a distribution from the Plan, you must first experience one of the following qualifying events:

- Severance from employment
- Attainment of age 70½
- Death (in which case your beneficiary would receive the distribution)
- Unforeseeable emergency (e.g., an illness or accident involving you or your spouse, dependent or beneficiary as defined by the IRS; the loss of property due to casualty; an unexpected circumstance beyond your control)

However, rollover funds from a previous plan are always available to you for withdrawal. For an unforeseeable emergency, a withdrawal can only be taken to the extent that the hardship cannot be relieved. In addition, you can withdraw only the necessary amount to cover an emergency. For more information, contact an Empower representative.

To get started:

- Meet with a local representative, who can help you determine a contribution amount and complete a participation agreement (send to your payroll department).
- Fill out an Enrollment Form to select your investment choices and make your beneficiary designation.
- Return a completed Enrollment Form to the Treasurer's Office.

Keep in mind that, based on Plan and IRS requirements, you must wait until the first pay period of the month following the month you complete the enrollment process to begin participating. You also have the option to choose a later date.

Payment options

You're ready to take a distribution. Now what?

You can leave your benefits in the Plan (if you decide later to make a withdrawal, there is no IRS 10% early withdrawal penalty prior to age 59½ that applies to other plans) to access later or:

- Take a partial or lump-sum payment
- Receive payments in installments
- Roll over your account to another eligible employer-sponsored plan or to an IRA

It's also important to note that the IRS requires you take an RMD by April 1 of the calendar year following the year in which you turn 70½ or the year in which you retire (whichever is later). You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options.

More distribution options

Are you currently working? If so, you can take an in-service distribution — as long as your account does not exceed \$5,000, you have not contributed to the Plan in two years and you have not received an in-service distribution in the past.

Are you a public safety officer? If so, and you have separated from service because of a disability or after becoming eligible to receive unreduced pension benefits, you may exclude up to \$3,000 per year of distributions used to pay for qualified health insurance premiums. The distributions must be paid directly from the Plan to the insurer.

Accessing your statement

Your quarterly statement is available on the website. Review your statement to view your account balance, current contribution amount, existing fund transfers and other account activity.

Getting help

Call the toll-free voice response system at **1-800-551-4218** or visit the website at **wv457.com** for more information.² Via the website, you also have access to retirement planning resources, calculators and materials to help build a stable bridge to your future.

¹ All information contained on the website, in prospectuses and in other investment option documents is offered in English. If necessary, please have this information translated to help ensure your full understanding.

² Access to the voice response system and/or any website may be limited or unavailable during periods of peak demand, market volatility or systems upgrades/maintenance or for other reasons. Transfer requests made via the website or the voice response system received on business days prior to close of the New York Stock Exchange (4 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.

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