



County of Los Angeles Pension Savings Plan 2017 | Features and Highlights

Introduction

These highlights provide an overview of the features and benefits of your Pension Savings Plan (PSP). Additional details can be found in the Summary Plan Description (SPD). The SPD is available on the Plan website at www.countyla.com; click on Pension Savings, then Plan Documents, then Summary Plan Description.

The County of Los Angeles PSP is a governmental defined contribution plan intended to be tax-favored under Internal Revenue Code section 457(b). The County of Los Angeles, in agreement with the Coalition of County Unions and SEIU Local 721, provides the PSP as a Social Security replacement retirement plan for part-time, temporary and seasonal employees who are not eligible to participate in the Los Angeles County Employees Retirement Association (LACERA) or the Judges Retirement System. The Plan is administered by the PSP Administrative Committee. The Plan assets are held in trust. The Plan document is found in Chapter 5.19 of the Los Angeles County Code.

This Plan is intended to help you prepare for retirement and includes a County contribution. Your account balance will be there for your retirement. If you leave County service before retirement age, you may request a distribution of your account, which includes your own contributions, the County contributions, and interest earned on your account. This distribution will be taxable income to you unless you elect to roll the distribution over to another retirement plan or account.

Automatic Enrollment

Participation in the PSP is a condition of employment. Upon being hired as a part-time, temporary or seasonal employee, you are automatically enrolled in the PSP. Mandatory contributions will begin after the first pay period after your hire date. You can use the PIN to access your account online at the participant website at www.countyla.com or when you call Empower Retirement at (800) 947-0845.

Naming a Beneficiary

After you have been automatically enrolled in the Plan, you will be asked to name a beneficiary or beneficiaries to receive the proceeds in your PSP upon your death. Beneficiary designations and changes can be submitted online at www.countyla.com.

Mandatory Contributions

As part of the automatic enrollment process, mandatory contributions of 4.5% will be deducted from each of your paychecks before income taxes. The County makes contributions to your account equal to 3% of your monthly compensation. All contributions and earnings are yours when you leave County service.

All contributions and earnings thereon are income tax-deferred, meaning you will not pay income taxes on the amounts contributed to your PSP until you receive a distribution.

Supplemental Contributions

You may voluntarily contribute an additional percentage of your pay over and above the mandatory 4.5%. Your contributions combined with the County's contributions cannot exceed the lesser of 100% of total compensation or the maximum amount permitted by the IRS, which for 2017 is \$18,000. The IRS may change this limit from time to time.

You can change, reduce or stop the supplemental portion of your contribution at any time by calling Empower Retirement at (800) 947-0845. Contribution changes typically take two pay periods to take effect.

Special 457 Three-Year Catch-Up

The Special 457 Three-Year Catch-Up feature is available to certain employees who did not maximize their annual contributions to the PSP in prior years. Enrollment in this feature is not automatic. To learn more, visit www.countyla.com and click on the "Special 457 Three-Year Catch-Up" bulletin from the landing page or call Empower Retirement at (800) 947-0845.

Investment of Plan Assets

The County of Los Angeles PSP Administrative Committee selected a Stable Asset Fund managed by INVESCO as the Plan's investment fund. This fund's primary objective is to preserve principal while adding incremental income. All PSP contributions are invested in this fund. Current and historical investment performance is available at www.countyla.com.

Additional disclosure documents can be obtained from your registered representative or the Plan website at www.countyla.com.

Distributions

When you leave County employment, you have several distribution options to choose from depending on your account balance and age.² Please see the SPD for more details. PSP distributions are reported to the IRS and you will receive an IRS tax form 1099-R for the year you take a distribution. To learn more, visit the Plan website at www.countyla.com and download the SPD. **NOTE:** If the balance in your account is \$1,000 or less and you do not elect to take a distribution at the time you leave employment, your funds will remain on deposit for up to two (2) years pending your rehire. If you are not rehired during the two-year period and your account balance remains \$1,000 or less, your account balance, less any applicable tax withholding, may be automatically distributed to you in a lump sum unless you elect a rollover within 30 days of receiving a distribution package. You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.

In the distribution package, Empower will send a letter, distribution election form, 402(f) notice and return envelope to participants identified on the report, providing participants 30 days to return the distribution election form. Participants who do not respond by the deadline will have their accounts closed no sooner than two business days after the 30 day deadline and no later than five business days after the 30 day deadline.

If you don't take a distribution when you leave County employment, the balance in your PSP account will continue to be invested and receive earnings until you receive a distribution..

After leaving County service, it is extremely important that you keep Empower Retirement advised of your current mailing address. Address information will not be transmitted by the County to Empower Retirement after you leave County service.

If you become a full-time permanent employee, you may enroll in the County's Horizons Plan and roll over your PSP account to your Horizons account. You can enroll in the Horizons Plan at www.countyla.com. More details about this type of rollover can be found in the SPD or you can call Empower Retirement at (800) 947-0845.

Keeping Track of Your Account

You will receive quarterly statements about one month after the quarter-end showing contributions, earnings, distributions and the total value of your account.

You can also keep track of your account online at www.countyla.com or over the phone at (800) 947-0845. If you need a PIN, call Empower Retirement at (800) 947-0845.¹

Questions

Contact Empower Retirement at (800) 947-0845. Client Service Representatives are available Monday through Friday from 7:00 a.m. to 5:00 p.m. Pacific Time. Information about the PSP is also available online at www.countyla.com.

¹ The account owner is responsible for keeping the assigned PIN confidential. Please contact Empower Retirement immediately if you suspect any unauthorized use.

² The 10% early withdrawal penalty generally does not apply to 457 plan withdrawals. Withdrawals may be subject to ordinary income tax.

Investment options and their underlying funds have been selected by the Plan Administrative Committee. Core securities are offered through GWFS Equities, Inc., Member FINRA/SIPC.

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