

# 401(k) Profit Sharing Plan Features & Highlights

Your TD Ameritrade 401(k) Profit Sharing Plan (“401(k) Plan”) is a powerful tool to help you reach your retirement dreams. As a supplement to other retirement benefits or savings that you may have, this voluntary plan allows you to save and invest tax-deferred money for retirement. Not only will you defer taxes immediately, you may choose from a variety of investment options and can contribute regularly and automatically to these investments. You’ll also 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 the summary plan description, the plan document and/or the summary plan description will govern.*

## GETTING STARTED

### How does a 401(k) plan benefit me?

A 401(k) plan is a retirement savings and investment plan designed to allow eligible Associates to supplement any existing retirement and pension benefits by saving and investing pre-tax dollars through voluntary salary deferral. Contributions and any earnings on contributions are tax-deferred until money is withdrawn.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.

### 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 401(k) plan can be an excellent tool to help you make your future more comfortable.

You may also qualify for a federal income tax credit by participating in this plan. Please contact your tax adviser for more information regarding this tax credit.

### Is there any reason why I should not participate in the 401(k) Plan?

Participating may not be advantageous if you are experiencing extreme 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.

### Who is eligible to enroll?

All regular, full-time TD Ameritrade Associates are eligible to enroll in the plan on the first of the month following their 21<sup>st</sup> birthday.

Contractors and consultants are not eligible to participate in the plan.

The plan provides for a discretionary profit sharing contribution in an amount to be determined by TD Ameritrade. To be eligible for this contribution to the plan, Associates must meet the enrollment criteria above and must have worked at least 1,000 hours in the previous year.

Associates who participate in the Management Incentive Plan are not eligible for the Company match or profit sharing contributions.



### How do I enroll?

New Associates will be automatically enrolled in the plan at 3% contribution rate per year, increasing 1% each year until a 6% contribution is reached. You may increase or decrease your contribution, or opt out of the plan at any time.

Current Associates can enroll in the plan through the website at [www.tdameritrade401kplan.com](http://www.tdameritrade401kplan.com).<sup>1</sup>

### How much is the Company match?

TD Ameritrade will match at 50% pre-tax contributions or Roth contributions up to 6% of compensation.

### What are the contribution limits?

- Pre-tax contributions

In 2016, the pre-tax maximum contribution amount is 75% of your compensation or \$18,000, whichever is less. Participants turning age 50 or older in 2016 may contribute an additional \$6,000 in 2016.

The maximum contribution amounts are set by the Internal Revenue Service and may be adjusted in subsequent years for inflation. Adjustments are usually made in \$500 increments.

- Roth option

The Roth option gives you the flexibility to designate all or part of your 401(k) elective contributions as Roth contributions.

Roth contributions are made with after-tax dollars, as opposed to the pre-tax dollars you contribute to a traditional 401(k). In other words, with the Roth option, you've already paid taxes on the money you contribute. With the traditional 401(k), your contribution is made on a pre-tax basis and you pay taxes only when you take a distribution.

### What are my investment choices?

The TD Ameritrade 401(k) Profit Sharing Plan offers an enhanced investment approach for your retirement planning. Please visit [www.tdameritrade401kplan.com](http://www.tdameritrade401kplan.com) to learn more about the available investment options, including access to individual fund overviews, prospectuses and performance. You can also call the voice response system toll free at 888-TDA-401K for additional investment information. The website and voice response system are available to you 24 hours a day, seven days a week.<sup>1</sup>

As part of the enhanced investment approach, a Self Directed Brokerage Account (SDBA) is available through TD Ameritrade. The SDBA allows you to select from numerous investment options. Investments in your SDBA are made through TD Ameritrade and are subject to fees set by the Company. The SDBA account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDBA.

<sup>1</sup> Access to the voice response system and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.



### MANAGING YOUR ACCOUNT

#### How do I keep track of my account?

A quarterly account statement will be mailed to you showing your account balance and activity. You can also check your account balance on the website at [www.tdameritrade401kplan.com](http://www.tdameritrade401kplan.com) or by calling the voice response system at 888-TDA-401K.<sup>1</sup>

Go green! One of the easiest ways to go green is to receive your account statements electronically rather than by mail. If you go paperless, your quarterly statements are stored so you can view, print, download and save them. To sign up, log in at [www.tdameritrade401kplan.com](http://www.tdameritrade401kplan.com) and choose "Go Paperless." You'll receive an e-mail notification when your statement is ready to view.<sup>1</sup>

#### How do I make investment option changes?

Use your Personal Identification Number (PIN)<sup>2</sup> and Username to access the website or you can use your Social Security number and PIN to access the voice response system. You can move all or a portion of your existing balances between investment options (subject to plan rules) and change how your payroll contributions are invested.<sup>3</sup>

### ROLLOVERS

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

Balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the plan with approval of the plan administrator. For more information, call the voice response system at 888-TDA-401K, and say "Representative" to speak to a Retirement Plan Specialist.<sup>1,3</sup>

#### May I roll over my account if I leave TD Ameritrade?

If you leave TD Ameritrade, you may roll over your vested 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 vested account balance to an IRA. 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.

For more information, call the voice response system at 888-TDA-401K, and say "Representative" to speak to a Retirement Plan Specialist.<sup>1,3</sup>

<sup>2</sup> The account owner is responsible for keeping their PIN/Passcode confidential. Please contact Client Services immediately if you suspect any unauthorized use.

<sup>3</sup> Transfer requests made via the website or the voice response system received on business days prior to close of the New York Stock Exchange (4:00 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.



## VESTING

### When am I vested in the plan?

Vesting refers to the percentage of your account you are entitled to receive when a qualified distribution is made. The value of your contributions to the plan and any earnings they generate are always 100% vested (including rollovers from previous employers).

The value of Company match and profit sharing contributions to the plan, and any earnings they generate, are vested as follows:

Years of Service	Vested Percentage of Employer Contributions
0-1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

## DISTRIBUTIONS

### When can I receive a distribution from my account?

Qualifying distribution events are as follows:

- retirement
- permanent disability
- financial hardship (as defined by the Internal Revenue Code and your plan’s provisions)
- severance of employment (as defined by the Internal Revenue Code provisions)
- attainment of age 59½
- death (your beneficiary receives your benefits)

• Traditional 401(k) accounts:

Ordinary income tax will apply to each distribution. Distributions received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty. Refer to your summary plan description for more information about distributions.

• Roth 401(k) accounts:

If you withdraw your Roth contributions and any earnings after you’ve reached age 59½ or severed employment due to death or disability and have held the account for at least five years, the distribution is income tax and penalty free.

If you take a distribution from your Roth 401(k) account before age 59½, death, or disability or before the five-year period beginning with your first Roth contribution, you will pay income taxes plus a 10% penalty tax on any earnings that are distributed.



### What are my distribution options?

1. Leave the value of your account in the plan until a future date (subject to certain minimum balance restrictions).
2. Receive:
  - periodic payments
  - fixed annuity payments
  - partial lump sum
  - a lump sum
3. Roll over your account balance to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan that accepts such rollovers or to an IRA. 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.

### PLAN FEES

#### Are there any recordkeeping or administrative fees?

Plan fees are paid by either TD Ameritrade or forfeitures (unvested contributions in accounts of former Associates).

#### Are there any fees for the investment options?

Each investment option has a 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 of securities within the investment options and other management expenses.

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

There is a \$15 quarterly fee to participate in the SDBA option but this fee will be paid by TD Ameritrade with plan forfeitures (unvested contributions in accounts of former Associates).

#### Are there any distribution fees?

No.

### LOANS

#### May I take a loan from my account?

Your plan allows you to borrow the lesser of \$50,000 or 50% of your total vested account balance. The minimum loan amount is \$1,000 and you have up to five years to repay a general purpose loan—up to 15 years if the money is used to purchase your primary residence. There is also a \$50 origination fee for each loan deducted from the loan proceeds, plus an ongoing annual \$25 maintenance fee deducted from your account at \$6.25 per quarter. The annual maintenance fee has been waived for all existing loans.



### TAXES

#### How does my participation in the plan affect my taxes?

For before-tax contributions:

- Before-tax contributions and any earnings are tax-deferred until you withdraw money.
- 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).
- A 10% early withdrawal federal tax penalty may also apply to distributions taken before age 59½.

For Roth 401(k) contributions:

- Taxes are paid at the time of contribution.
- Distribution of any earnings and contributions are not taxable if you have reached age 59½ or severed employment due to death or disability and have held the account for at least five years.
- Income taxes and a 10% early withdrawal federal tax penalty may apply to any earnings distributed before age 59½, death, or disability or before the five-year period beginning with your first Roth contribution.

### INVESTMENT ASSISTANCE

#### Can I get help with my investment decisions?

Representatives of GWFS Equities, Inc. cannot give investment advice. However, there are financial calculators and tools on the website that can help you determine which investment options might be best for you. Please see your financial planner, attorney or accountant for specific financial help.

#### How can I get more information?

Visit the website at [www.tdameritrade401kplan.com](http://www.tdameritrade401kplan.com) or call the voice response system toll-free at 888-TDA-401K for more information. The website provides information regarding your plan, as well as financial education information, financial calculators and other tools to help you manage your account.<sup>1</sup>

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