



PERSI

PERSI Choice 401(k) Plan

It's Your Choice to Go Now, Go **BIG!** Plan Highlights

Learn about your PERSI Choice 401(k) Plan

Ready, Set, Go: the PERSI Base Plan

The PERSI Base Plan gets you into the game, providing you with the security of a lifetime benefit. But to finish with the comfortable retirement you deserve, you've got to do more, and you've got to start now. If you're ready to "Go BIG," the Choice 401(k) Plan can help you end up on top.

The Base Plan provides traditional pension benefits—meaning the longer you work for an employer who participates in PERSI, the greater your Plan retirement benefit will be. While the PERSI Base Plan is not designed to be your primary or sole means of support, it is a great start!

This document covers the basic features of the Choice 401(k) Plan. In the event of any discrepancy between this document and the Plan documents and IRS code, the Plan documents will govern.

The Next Step: the PERSI Choice 401(k) Plan

The PERSI Choice 401(k) Plan is designed to help you save more for retirement. Let's sprint to the finish to Go BIG and look at the Choice 401(k) Plan options.

The Basics

What is a 401(k) defined contribution plan?

A 401(k) plan is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits (like the Base Plan) by saving and investing before-tax dollars.

Why should I participate in the Plan?

You may want to participate to save and invest additional money for retirement and/or reduce the amount of current state and federal income tax you pay each year.

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, or expect to be in a higher tax bracket during your retirement.

How much can I contribute?

In 2015, you can contribute up to 100% of your compensation or \$18,000, whichever is less. This is set by the Internal Revenue Service (IRS).



Important highlights

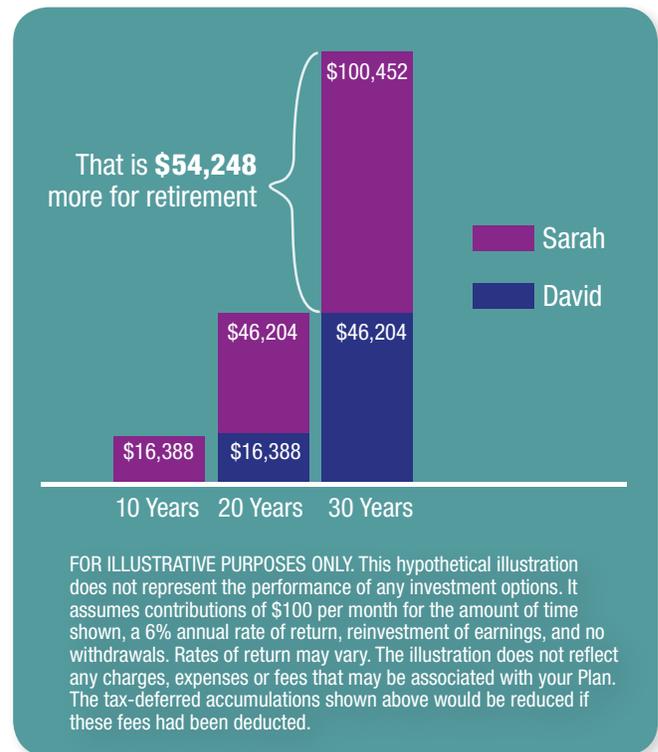
- You elect how much of your pay to defer to your account. This could be a percentage of your pay (including overtime), in whole percentage amounts from 1% to 100%, or a whole dollar amount (depending on your employer). The maximum allowable contribution for 2015 as determined by the IRS is \$18,000. However, if you will be age 50 or older during 2015, you may make additional catch-up contributions of \$6,000 to the Choice 401(k) Plan for 2015.
- As you “Go Now, Go BIG,” be aware that you are able to invest your contributions among several investment options. If you choose *not* to direct your contributions, they will be directed automatically to the PERSI Total Return Fund*, which is invested the same way that the PERSI Base Plan is invested, making it a highly diversified fund.
- PERSI may also make a periodic contribution (referred to as Gain Sharing) to your Choice 401(k) Plan account, if the funding levels in the Plan permit and the Board of Directors decides it is appropriate.
- You are always 100% vested in (i.e., you own) your Choice 401(k) Plan account balance.
- Your full account balance is available to you when you retire, end your employment with a PERSI-participating employer, or become totally disabled (subject to income tax consequences and a potential 10% early withdrawal penalty). In the event of your death, your beneficiary(ies) will be entitled to the full value of your account. Depending on your circumstances, you may choose from a number of distribution options.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information about investments offered through your Plan, you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from your registered representative or Plan website. Read them carefully before investing.

Start Saving Early ... It Makes All the Difference

If you're in your 20s or 30s, you're primed to “Go Now” to build the foundation of your retirement savings. Unfortunately, many of us don't start saving this early. We tell ourselves “I'll start saving later” because we're too young to worry about retirement or we face more immediate financial needs, such as paying off student loans, buying a car or house, or starting a family. However, “Go Now” works to your advantage because the earlier you start saving for retirement, the more time you'll have to take advantage of the benefit of compounding interest. A small investment now can grow to significant savings over time. That's the Go BIG potential benefit.

Consider the example at right. Sarah and David plan to retire in 30 years. Sarah starts saving \$100 a month immediately, while David waits 10 years before starting to save. The chart shows what they both would have after 10, 20 and 30 years, assuming a hypothetical 6% annual rate of return, compounded monthly, and no withdrawals.



YOU DON'T SPEND WHAT YOU DON'T SEE ...
Contributions are taken from your paycheck before you receive it. Think of it as “paying yourself first.”

*Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

More for your nest egg might mean more in your pocket now.

	Before-Tax Contribution	After-Tax Contribution
Gross Pay	\$2,000	\$2,000
Minus Before-Tax Contributions to 401(k) Plan	-\$100	-\$0
Taxable Pay	\$1,900	\$2,000
Minus Estimated Tax Withholding From Pay	-\$361	-\$380
Minus After-Tax Contributions to Other Savings	-\$0	-\$100
Spendable Pay	\$1,539	\$1,520
Before-Tax Advantage	\$19	\$0

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes a participant earning \$2,000 per month in regular pay who contributes \$100 per month in the Plan. It also assumes 19% combined federal, state and local income tax withholding. It does not account for Social Security, Medicare or other taxes.

If you think you can't afford to take money out of your check each month for a retirement you can't even imagine yet, consider this example of saving before tax through your Choice 401(k) Plan versus after tax through some other savings vehicle.

Talk about Go BIG!

Visit www.mypersi401k.com¹ to learn how to set a retirement goal, including how to decide how much money you will need when you retire and how much you should save to reach your goal.

Plan loans

The primary purpose of saving in your Choice 401(k) Plan account is for retirement; however, the Plan has a loan feature that may allow you to access your account's available balance during your employment. When you take a loan from your 401(k) plan, you are actually borrowing money from your account. You will pay back the money to the account, with interest, over a specified period of time in substantially equal installments. Some of the key features include:

- No annual fee
- A minimum loan amount of \$1000.
- A maximum loan amount of 50% of your vested account balance or \$50,000, whichever is less (excluding any gain sharing contributions)
- Terms of 12-60 months for general purpose loans, or 61-120 months for the purchase of a primary residence
- An interest rate of the Prime Lending Rate declared in The Wall Street Journal on the first business day of the month in which the loan is processed plus 1%
- A \$75.00 Loan Origination Fee

Below are some other considerations regarding loans from your 401(k) plan.

With a 401(k) loan:

- You don't pay taxes if repayments stay on schedule.
- You have to repay the loan, plus interest, or incur taxes and penalties.
- Your Plan balance is reduced.
- You can continue to participate in the Plan.

With a 401(k) withdrawal:

- Usually, you will have to pay taxes.
- You cannot repay it.
- Your Plan balance is permanently reduced.
- Certain withdrawals cause a six-month suspension of contributions.
- The IRS requires that a loan be taken before a hardship withdrawal.

Log on to www.mypersi401k.com¹ for more information about a Choice 401(k) loan.

In-Service

In-Service Transfers

You may transfer funds from your PERSI Choice 401(k) Plan account to the PERSI Base Plan while you're still working to repay Base Plan separation benefits, waiting periods or delinquent contributions.

In-Service Withdrawals

In addition to loans, you may be able to request a withdrawal of any "rollover contribution" funds within your PERSI Choice 401(k) account and/or a "hardship withdrawal" of your funds while you are actively employed.

Rollover Withdrawal – A withdrawal of any rollover contributions from your account can be made for any reason. However, unless the funds are rolled over into an eligible retirement account, they will be subject to an early distribution penalty (if you are under age 59½) and the mandated federal income tax withholding.

Hardship Withdrawal – A hardship withdrawal may only be taken for certain immediate and heavy financial needs as determined by IRS regulations. To receive a hardship withdrawal, you must satisfy certain conditions, including exhausting your loan and rollover withdrawal options. In addition, funds from a hardship withdrawal will be subject to normal income taxes and an early distribution penalty if you are under age 59½. For more information about in-service withdrawals, log on to www.mypersi401k.com.¹

Distribution options

You may access all of the funds in your account if you retire, end your employment with a PERSI participating employer, or become disabled.

Depending on your circumstances, you may leave your assets in the Plan² or choose one or a combination of payment options:

- A lump sum
- Monthly installment payments³
- Rollover to an eligible retirement plan (401(a), 401(k), 403(b), 457, or pre-tax or Roth IRA)
- Purchase of Base Plan service

For more information about distribution options and the tax consequences of your distribution, log on to www.mypersi401k.com.¹

Account statements

You can access a statement of your PERSI Choice 401(k) Plan account activity online at www.mypersi401k.com.¹

The PERSI Choice 401(k) Plan provides you with three types of account statements:

Online Statement - This statement is prepared quarterly and includes any activity on your account within the quarter. These are available online approximately 15 business days after the end of each quarter.

Dynamic Online Statement - This online statement allows you to specify a certain time period to summarize the activity in your Plan account and your personal rate of return during that time period.

Annual Print Statement - This statement is prepared annually, summarizing any activity within your account during the calendar year, and is mailed to your home address within 15 business days of year end.

Rollovers into the PERSI Choice 401(k) Plan

Do you have money in another plan you'd like to move into the PERSI Choice 401(k) Plan? You can roll money into your Choice 401(k) Plan account from one or more of the following plans:

- 401(a)
- 401(k)
- 403(a)
- 403(b)
- 457(b) (governmental)
- Pre-tax IRAs
- Spousal beneficiary account

After-tax contributions cannot be rolled into the Choice 401(k) Plan.

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.



◆◆ Accessing your account

Your Base and Choice 401(k) Plans Are Just a Click Away

You can access *both* your Base and PERSI Choice 401(k) Plan accounts by using myPERSI. To access myPERSI, follow these simple steps:

- Go to www.persi.idaho.gov.
- Click on the link in the top right-hand corner of the page.
- Log on to myPERSI using your email address and the password you created when you registered. If you are new to myPERSI, click on the “Register Now” link to go through the registration process. You will be sent an email with your new password within approximately 30 minutes.

Once you log on, you can access your Base Plan and Choice 401(k) account information, including balances and investment choices, as well as other resources and tools.

To log on to your Choice 401(k) Plan *only*, go to www.mypersi401k.com¹ and click on “Let’s Get Started!” under “First time visiting your account?”

◆◆ Questions

If you have questions about how the PERSI Choice 401(k) Plan can help you **Go Now, Go BIG**, just click or call 24 hours a day, seven days a week:

www.mypersi401k.com or 866-437-3774¹
(available May 1, 2015)

The automated toll-free system is always available. PERSI Choice 401(k) Plan customer service representatives are available from 7 a.m. to 6 p.m. MT, Monday through Friday.

Representatives from Empower Retirement, the PERSI Choice 401(k) Plan administrator, are available to answer your questions about the Plan.⁴ However, if you want to speak to a PERSI representative (or if you have questions about your PERSI Base Plan service), please call PERSI at 800-451-8228, 7:30 a.m. to 5:30 p.m. MT, Monday through Friday.



TAKE ADVANTAGE OF THE PERSI CHOICE 401(K) PLAN TODAY

STEP 1: Review the other PERSI Choice 401(k) Plan materials you received in the mail, if you’ve not done so already.

STEP 2: If you want more information, go to www.mypersi401k.com¹ and click on *Enroll Now*.

STEP 3: Complete the PERSI Choice 401(k) Plan Deferral Election Form available on the website.

STEP 4: Give the completed form to your employer’s human resources or payroll department.

Do not send this form to PERSI or Empower Retirement.





Welcome to your future!

You're in the race with the PERSI Base Plan, and the Choice 401(k) Plan will help you pull away from the pack and cross the finish line ready for the retirement you deserve!

Visit www.mypersi401k.com¹ or call 800-876-4953 through April 30, 2015. Beginning May 1, 2015, please call 866-437-3774.¹



Public Employee Retirement System of Idaho
Local Office: 607 N. 8th Street, Boise, ID 83702
800-451-8228

¹ Access to KeyTalk® and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/ maintenance or other reasons. Transfer requests made via the website and/or KeyTalk 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.

² You must have at least \$200 in your account to maintain a Choice 401(k) Plan account.

³ If your account balance is \$5,000 or more and you have reached the Choice 401(k) Plan's Normal Retirement Age (50), you may elect to receive installment payments; otherwise, you must choose one of the other options, such as a lump-sum payout.

⁴ Representatives of GWFS Equities, Inc. are not registered investment advisors and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

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