

PERSI Choice 401(k) Plan Comparison

Compare the PERSI Choice 401(k) Plan and Other Retirement Saving Options

Unlike many employees, you have a choice when deciding how to save for retirement. The comparison chart on the next page is designed to summarize and compare some of the main features of each of the retirement savings plan options that might be available to you.

What Do All These Numbers Mean – 401(k), 457, 403(b)?

Having choices may be better, but it doesn't always make it easier. It's easy to become confused as to what is what with all of these different numbers floating around – 401(k), 457, 403(b). They're all a bunch of numbers that can sometimes make you think you're back in math class. In fact, each of these numbers refers to a different section of the Internal Revenue Code.

It's true that these plans have some features in common. All allow you to:

- Elect a portion of your pay to be directed to a personalized account on a pretax basis.
- Save for retirement while deferring income taxes today.
- Diversify your portfolio among several investment options.¹

Why So Many Choices?

Basically, it comes down to who you work for.

PERSI Choice 401(k) Plan – Members who are eligible for the PERSI Base Plan and active members of the Judges' Retirement Fund are eligible to contribute to the PERSI Choice 401(k) Plan.

457 Plans – Generally, these plans are available to certain state and local governments and non-governmental entities that are tax exempt under Section 501 of the Internal Revenue Code.

403(b) Plans – Generally, these plans are available to employees of public and private schools, colleges, universities, churches, public hospitals, and certain charitable entities.

Members may be eligible to participate in the PERSI Choice 401(k) Plan and also in other plans, such as a 457 or 403(b) plan, at the same time. Check with your Human Resources representative to determine which plan options are available to you.

	PERSI Choice 401(k) Plan	457	403(b)
Who Can Participate?	Members who are eligible for the PERSI Base Plan and active members of the Judges' Retirement Fund are also eligible to contribute to the PERSI Choice 401(k) Plan	Generally available to certain state and local governments and non-governmental entities that are tax exempt under Internal Revenue Code Section 501	Generally available to employees of public and private schools, colleges, universities, churches, public hospitals, and certain charitable entities
Pretax Contributions	Yes		
Annual Contribution Maximum	\$18,000 in 2017 (plus an additional \$6,000 if you will be age 50 or older by the end of the year)		
Coordinating Annual Contribution Maximums with Other Plans See the Defined Contribution Plan Limits Calculator on the PERSI website at www.persi.idaho.gov/limits_calculator/	An employee eligible to contribute to both this plan and a 457 plan may contribute the maximum amounts to both plans for a total contribution of \$36,000 in 2017, plus any applicable catch-up contributions 401(k) and 403(b) plans share a single limit for an aggregate contribution of \$18,000 (or \$24,000, including a \$6,000 catch-up contribution) in 2017	An employee eligible to contribute to both a 457 plan and the PERSI Choice 401(k) may contribute the maximum amount to both plans for a total contribution of \$36,000 in 2017 Check with the 457 plan to determine if there are additional catch-up contributions available	The 401(k) and 403(b) plans share a single limit for total aggregate contributions of \$18,000 (or \$24,000, including a \$6,000 catch-up contribution) in 2017 Check with the 403(b) plan to determine if there are additional catch-up contributions available
Roll Over Money from Other Plans	Eligible rollover funds can be accepted from 401(a), 401(k), 403(a), 403(b), and 457 plans, pretax IRAs, and spousal beneficiaries. You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitations of investment options.		
Administrative Fees	See the Fee Disclosure Statement for recordkeeping fees	Check with the plan administrator regarding fees that apply to the plan	Check with the plan administrator regarding fees that apply to the plan
Money Management Fees	Management fees apply to investment options	Check with the plan administrator regarding fees that apply to the plan	Check with the plan administrator regarding fees that apply to the plan
Loans	Yes, for any reason (active members)		
Tax Penalties	Federal tax penalty may apply to distributions made before age 59½; federal tax penalty applies if required minimum distributions aren't taken at age 70½		
When Distributions Must Begin	Withdrawals must begin at age 70½ if you are no longer working; if you are still working at age 70½, then minimum withdrawals must begin upon separation of service		
Distribution Methods	Lump sum, periodic installment payments, rollover to eligible retirement plan, ¹ purchase of PERSI Base Plan service, or combination Check with Empower Retirement, the PERSI Choice 401(k) Plan administrator, regarding specific restrictions on methods of distribution	Check with the plan administrator regarding the methods of distribution available	Check with the plan administrator regarding the methods of distribution available

Note: Statements regarding federal income tax requirements and plan provisions are based upon current understanding of the law and are subject to change as a result of subsequent amendments, regulations, and interpretations. You are urged to consult your own tax advisor for advice concerning your particular circumstances.

The above is only a brief summary of the plan features. It is provided for your convenience and is not intended to be detailed or comprehensive. Specific limitations and requirements are stated in detail in the Plan Documents and the Internal Revenue Code and regulations. If there are any discrepancies between this summary and the Plan Documents and the Internal Revenue Code, the Plan Documents and Internal Revenue Code will govern.

Which Plan Do I Choose?

That's a good question... and we know you don't want to hear this, but we can't pick for you. The choice is yours and it's up to you to determine which plan's features are most important to you.

We encourage you to give some serious thought to whether the PERSI Choice 401(k) Plan might be right for you. The PERSI Choice 401(k) Plan is an excellent tool to help you save for retirement, especially as it:

Reflects PERSI's Dedication to Our Members –

Our ultimate mission is to assist our members in confidently planning for retirement by providing high-quality and friendly service, retirement education and information. Our focus is to provide a comprehensive retirement package to our members.

- **Includes Minimal Fees** – Recordkeeping fees are competitive.
- **Features the Total Return Fund** – This default fund option mirrors the investments of the PERSI Base Plan's trust assets, making it a diversified fund.
- **Results in a Partnership of the PERSI Choice 401(k) and Base Plans** – The combination of the PERSI Base Plan and the PERSI Choice 401(k) Plan can provide you with a valuable retirement benefit.

Enroll Today!

While we believe the PERSI Choice 401(k) Plan is a great supplemental retirement option to help you reach your long-term financial goals, we encourage you to avoid one of the biggest financial mistakes that people make – doing nothing! So no matter which option is best for you, start today.

To enroll in the PERSI Choice 401(k) Plan, complete the Paycheck Contribution Election form that accompanies this comparison chart (or download one from the PERSI website) and return it to your Human Resources or payroll department. Your contributions will begin as soon as administratively possible, which is usually the next pay cycle.

For more information, contact one of your local, dedicated representatives² who can assist you with the enrollment process. Call 866-437-3774 Monday through Friday from 7 a.m. to 6 p.m. Mountain time. To reach a representative, simply say “representative” or press zero (0).

Please consider the investment objectives, risks, fees and expenses carefully before investing. Additional disclosure documents can be obtained from your registered representative or plan website. Read them carefully before investing.



Be Aware of Fees

Whether you enroll in the PERSI Choice 401(k) Plan or a 403(b) or 457 plan, you are able to choose how your contributions are invested. There are several different choices of investment funds, which range from the most stable type of investment to those with a greater potential risk and reward.

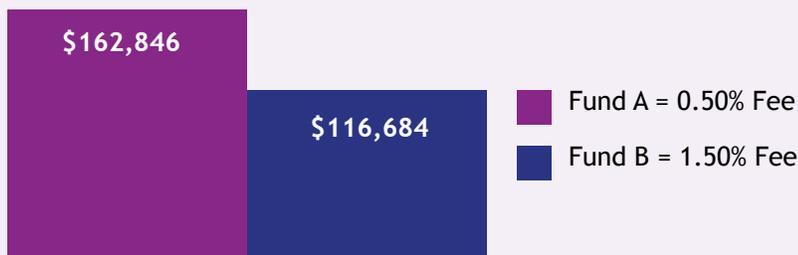
Several important factors that many people overlook when making their investment choices are the fees and expenses associated with each investment. For example, these funds may have expenses or fees associated with the basic operation of the fund, such as management fees and other operating expenses. Some may also include fees that are charged if you exchange or redeem funds within a certain time period of initially contributing to that fund.

Be aware that all of these fees may negatively affect your fund returns.

Here's an example:

Mary has \$25,000 in retirement savings, and she is choosing to invest her money in one of these two investment funds, Fund A and Fund B. Fund A has an average management fee of 0.5% and Fund B has an average management fee of 1.5%.

Lower fees = Potentially higher account balance



The 1% difference in investment management fees could result in an increase in her account balance at retirement by 28% – more than \$46,000!

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 6% annual rate of return over the next 35 years and reinvestment of earnings with no withdrawals. Rates of return may vary. The illustration does not reflect any associated charges, expenses or fees. The tax-deferred accumulation shown would be reduced if these fees were deducted.

You can find more information about investment fees on the Department of Labor's website:

www.dol.gov/ebsa/publications/401k_employee.html.³

For more information, call 866-437-3774 or visit www.mypersi401k.com

¹ Diversification does not guarantee a profit or protect against a loss in a declining market. It is a method used to help manage investment risk.

² Representatives of Empower Retirement do not offer or provide investment, fiduciary, financial, legal or tax advice or act in a fiduciary capacity for any client unless explicitly described in writing. Please consult with your investment advisor, attorney and/or tax advisor as needed.

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