



State of Tennessee Deferred Compensation Program

457(b) Plan Features and Highlights

The State of Tennessee 457(b) Deferred Compensation Program is a powerful tool to help you reach your retirement dreams. It complements other retirement benefits or savings that you may have, and allows you to save and invest extra money for retirement.

You may build extra savings consistently and automatically, select from a variety of investment options, and learn more about saving and investing for your financial future.

Read these highlights to learn more about your Program and how simple it is to enroll. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

Getting Started

Why should I participate in the Program?

By participating in the governmental 457(b) deferred compensation plan (457 plan), you can invest additional money for retirement and potentially reduce the amount of current federal income tax you pay each year.¹ Your State of Tennessee 457 Deferred Compensation Plan can be an excellent tool to help make your future more secure.

You may also qualify for a federal income tax credit by participating in the 457 plan. For more information about this tax credit, please contact your local RetireReadyTN advisor.

What is a 457 deferred compensation plan?

- A voluntary retirement savings plan
- Allows eligible employees to complement any existing retirement and pension benefits
- Lets you invest before-tax dollars
- Defers tax on contributions and any earnings on contributions until money is withdrawn

The 457 deferred compensation plan does not offer a Roth or after-tax option.

Who is eligible to enroll?

All current employees of the following are eligible to participate in the 457 plan:

- State of Tennessee
- All Tennessee Public Colleges and Universities
- Local Education Agencies
Employees are eligible to enroll if the plan is adopted by your governing body.
- Local Government Employees
Employees are eligible to enroll if the plan is adopted by your governing body.

Check with your HR/Benefits Specialist to determine the availability of plan options and your eligibility to participate.

How do I enroll?

If you are eligible to participate in the Program, you can enroll on a voluntary basis by:

1. Enrolling online at **www.RetireReadyTN.gov**. Click on the *Register* button. Follow the prompts to provide your Social Security number and other personal information to enroll.
2. Calling RetireReadyTN at **800-922-7772**; representatives are available between the hours of 8 a.m. and 7 p.m. Central time.
3. Completing a paper enrollment form. Enrollment forms are available through a RetireReadyTN representative or your local RetireReadyTN advisor. Mail the completed form to the appropriate address on the form.

If you wish to make changes, log on to the website or call RetireReadyTN or the TDD line at **800-766-4952**.²

Important Notice: Local government employees should note that plan availability may vary by employer. Check with your HR/Benefits Specialist to determine the availability of plan options and your eligibility to participate.

Is there an employer match?

There is no match offered on contributions to the 457 plan.

What are the contribution limits?

In 2019, the maximum contribution amount is 100% of your includible compensation, less any mandatory before-tax contributions to a governmental pension plan, or \$19,000, whichever is less. It may be indexed for inflation in \$500 increments after 2019.

By participating in the 457 plan, you may have two different opportunities to contribute more if you meet certain requirements.

- **The Special Catch-up:** You may contribute more (up to double the annual contribution limit—\$38,000 in 2019) in the three calendar years prior to your normal retirement age. The additional amount that you may be able to contribute will depend upon the amounts that you were eligible to contribute in previous years but did not.
- **The Age 50+ Catch-up:** If you turn age 50 or older in 2019, you may contribute an additional \$6,000.

You may not use the Special Catch-up provision and the Age 50+ Catch-up provision in the same year.

What are my investment options?

A wide array of core investment options is available through your Program. Each option is explained in further detail in your Program's fund data sheets.

Investment option information is also available through the website or by calling RetireReadyTN.

These services are available 24 hours a day, seven days a week. You may also email your local RetireReadyTN advisor with questions. Find your advisor and their email on the RetireReadyTN website landing page.

In addition to the core investment options, a Self-Directed Brokerage Account (SDBA) is available. The SDBA allows you to select from numerous mutual funds for additional fees. These securities are not offered through GWFS Equities, Inc.

The SDBA is intended for knowledgeable investors who acknowledge and understand the risks associated with investing through the SDBA.

To participate in the SDBA option, there is a \$50 annual administrative fee, charged at \$12.50 quarterly, and a 0.23% recordkeeping fee, charged at 0.0575% quarterly. In order to start an SDBA, you must have a balance of \$20,000 in core investments, with a minimum initial deposit of \$5,000. There must be \$15,000 remaining in core investments. Additional SDBA deposits must be a minimum of \$1,000.

Managing your account

How do I keep track of my account?

Your quarterly account statement from Empower Retirement is delivered electronically, showing your account balances and activity. You can choose to be notified via email when statements are issued by adding a current email address to your online profile. Please read the special messages when your statement arrives.

You can also check your account balances and move money among investment options by accessing your account on the website or by calling RetireReadyTN.

How do I make investment option changes?

Use your username and passcode to access the RetireReadyTN website. You can also use your Social Security number and passcode to contact RetireReadyTN. You can move all or a portion of your existing balances among investment options (subject to Program rules) and change how your payroll contributions are invested.²

How do I make contribution changes?

Once enrolled in the Program, access your account and click the *Edit* slider bar in the *Plan savings* section of the landing page.

You may also contact RetireReadyTN at **800-922-7772**.

Rollovers

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

Yes, but only approved balances from an eligible governmental 457(b) may be rolled over to the 457 plan.

As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers, with a financial advisor and to consider costs, risks, investment options and limitations prior to investing.

What are my account options if I leave my current employment?

You can leave your entire account balance in your State of Tennessee 457 Deferred Compensation Program account. If you sever employment with your current employer, you may also roll over your account balances to another eligible governmental 457(b), 401(k), 403(b) or 401(a) plan, if your new employer's plan accepts such rollovers, or to an IRA.

Always compare fees, commissions, trading expenses and other transaction costs before making a decision.

Please keep in mind that if you roll over your 457 plan balance to a 401(k), 403(b) or 401(a) plan or an IRA, the withdrawals made prior to you reaching age 59½ may be subject to a 10% early withdrawal federal tax penalty.

Please contact the RetireReadyTN Call Center or your tax advisor for more information.

As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers, with a financial advisor and to consider costs, risks, investment options and limitations prior to investing.

Vesting

When am I vested in the 457 plan?

Vesting refers to the percentage of your account you are entitled to receive from the Program upon the occurrence of a distributable event.

Your contributions to the Program and any earnings they generate are always 100% vested (including rollovers from previous employers).

For the following agencies:

- State of Tennessee
- All Tennessee Public Colleges and Universities
- Local Education Agency Employees
- Local Government Employees

Distributions

When can I receive a distribution from my account?

457 plan qualifying distribution events are as follows:

- Retirement
- Disability retirement (allowed but as defined by the Social Security Administration or the Tennessee Consolidated Retirement System (TCRS))
- Unforeseeable emergency (as defined by the Internal Revenue Code and if allowed by your Program's provisions)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Death (upon which your beneficiary receives your benefits)
- Purchase of service credit
- Distribution requested by a qualified retired public safety officer to be made directly to a health or long-term care insurance provider
- Attainment of age 70½

Each distribution of pre-tax contributions is subject to ordinary income tax. There is no tax penalty for withdrawing funds prior to reaching age 59½.

What are my distribution options?

1. Leave the value of your account in the Program until a future date.
2. Receive:
 - Periodic payments,
 - Partial lump sum with remainder paid as periodic payments, or
 - A lump sum.
3. Roll over your account balances to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an IRA.

What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact a RetireReadyTN representative to request a Death Benefit Claim Form.

Expenses

What are the administrative costs for participating in the 457 plan?

The annual administration fee is 0.23% (23 bps) with a minimum fee of \$12 per year (deducted monthly).

For example, if you have a \$10,000 account balance, your total annual fee would be \$23. This would be assessed quarterly at \$1.92 per month.

Account Balance	Annual Fee	Monthly Fee
\$10,000	\$23	\$1.92
\$20,000	\$46	\$3.83

Some investment options give voluntary and/or contractual fee reimbursements. These reimbursements are given at the end of each quarter or month, depending on the fund.

Reimbursements may offset the plan administrative fees, depending on the investment options in which you are invested.

Each investment option is charged an investment management fee and other operating expenses that vary by investment option.

These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees compensate the investment manager for its services in managing the investment option and other administrative expenses such as trading portfolio securities and maintaining custody of its assets.

Funds may impose redemption fees on certain transfers, redemptions or exchanges resulting from presumed market timing. 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. Funds are subject to the risks of the underlying funds.

To participate in the SDBA option, there is a \$50 annual administrative fee, charged at \$12.50 quarterly, and a 0.23% recordkeeping fee, charged at 0.0575% quarterly. In order to start an SDBA, you must have a balance of \$20,000 in core investments, with a minimum initial deposit of \$5,000. There must be \$15,000 remaining in core investments. Additional SDBA deposits must be a minimum of \$1,000.

Loans

May I take a loan from my account?

Your 457 plan does not allow loans.

Taxes

How does my participation in the Program affect my taxes?

Your contributions are taken out of your paycheck before taxes are calculated, so you pay less in current income tax. Distributions from the 457 plan are taxable as ordinary income during the years in which they are distributed. There is no tax penalty for withdrawing funds prior to reaching age 59½.

Investment assistance

Can I get help with my investment decisions?

There are financial calculators and tools on the website that can help you determine which investment options might be best for you if you would like to manage your Program account yourself.

Your Program offers access to two different levels of investment advisory tools and services called Empower Retirement Advisory Services, offered by Advised Assets Group, LLC, a registered investment adviser. You can have AAG manage your retirement account for you through My Total Retirement™. Or, if you prefer to manage your retirement account on your own, you can use Online Advice. These tools and services provide a personalized retirement strategy for you based on your investment goals, time horizon and tolerance for risk.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

For more detailed information, log in to your Program account at www.RetireReadyTN.gov and click on the *Guidance* tab at the top of the page. Or you may call **800-888-4952, ext. 41066**, to speak to an AAG investment adviser representative.

Call or visit your local RetireReadyTN office at:

545 Mainstream Drive, Suite 407
Nashville, TN 37228
800-922-7772
TDD line: 800-766-4952

What fees do I pay to participate in Empower Retirement Advisory Services?

Online Advice is available at no additional cost to you. The annual My Total Retirement fee will be assessed in quarterly installments based on a percentage of your account balance as follows:

Participant Account Balance	My Total Retirement Quarterly Fee
Up to \$100,000	0.1125%
Next \$150,000	0.0875%
Next \$150,000	0.0625%
Greater than \$400,000	0.0375%

For example, if your account balance is \$50,000, the maximum quarterly fee will be 0.1125% of the account balance. If your account balance is \$500,000, the first \$100,000 will be subject to a maximum quarterly fee of 0.1125%; the next \$150,000 will be subject to a maximum quarterly fee of 0.0875%; the next \$150,000 will be subject to a maximum quarterly fee of 0.0625%; and any amounts more than \$400,000 will be subject to a maximum quarterly fee of 0.0375%.

How do I get more information?

Visit the website at www.RetireReadyTN.gov or call RetireReadyTN toll free at **800-922-7772** or the TDD line at **800-766-4952** for more information. The website provides information regarding your Program and financial education, as well as financial calculators and other tools to help you manage your accounts.

About Empower Retirement

Empower Retirement specializes in servicing government defined contribution retirement plans. Headquartered in Greenwood Village, Colorado, Empower helps more than 9 million people work toward replacing —for life— the income they made while working.*

After a comprehensive selection process, Empower was chosen by RetireReadyTN to provide administrative, education and communication services. In conjunction with RetireReadyTN, Empower is committed to helping you understand and evaluate your financial situation by providing you with the information you need to help you make financial decisions to and through retirement.

* As of January 1, 2019. Information refers to all retirement businesses of Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates, including Great-West Life & Annuity Insurance Company of New York, marketed under the Empower Retirement brand.

Local RetireReadyTN advisors are available to meet with you one-on-one or in a group setting.

To schedule an appointment:

- Call your local advisor (visit www.RetireReadyTN.gov to find your advisor)
- Contact RetireReadyTN at **800-922-7772** between the hours of 8 a.m. and 7 p.m. Central time

1. All references to the 457 plan are to a governmental 457(b) plan.

2. Transfer requests 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.

Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.

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