

# City of Jacksonville

## 401(a) Plan Features and Highlights

The City of Jacksonville 401(a) 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 Plan allows you to enjoy a benefit from extra contributions that your employer makes toward your retirement—tax deferred!

**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, the Plan Document will govern.**

### Getting Started

#### What is a 401(a) plan?

A 401(a) plan is a retirement savings plan designed to allow employers to supplement their employees' existing retirement and pension benefits by contributing to the plan on the employees' behalf. Contributions and any earnings on contributions are tax-deferred until the money is withdrawn.

#### Who is eligible to enroll?

To receive the employer contributions to the 401(a) Plan, you must be at least 21 years old and you must have completed 1,000 hours of service, as defined by the 401(a) Plan. Other requirements may also have to be met.

#### How do I enroll?

Complete the appropriate enrollment forms, indicating your investment option selection(s) and beneficiary designation(s). Please return the forms to your Empower Retirement representative at:

City of Jacksonville  
Compensation and Benefits Office  
117 W Duval Street, Suite 150  
Jacksonville, FL 32202

#### How much does the employer contribute?

The 401(a) Plan may provide for discretionary employer contributions in an amount to be determined by the City of Jacksonville. These contributions benefit all participating employees.

#### What are my investment options?

A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund data sheets. Investment option information is also available through the website at [www.COJDCP.com](http://www.COJDCP.com) and the voice response system, toll free, at (855) COJ-4570 (265-4570). The website and the voice response system are available to you 24 hours a day, seven days a week.

In addition to the core investment options, a self-directed brokerage (SDB) account is available through TD Ameritrade. The SDB account allows you to select from mutual funds outside of the Plan for an

additional annual administrative fee of \$60 per person, per plan, deducted from your account at \$15 quarterly (plus any additional trading and transaction fees). These securities are not offered through GWFS Equities, Inc. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

*Carefully consider the investment objectives, risks, fees and expenses of the annuity and/or the investment options. Contact us for a prospectus, a summary prospectus and disclosure document, as available, containing this information. For prospectuses related to investments in your self-directed brokerage account, contact your SDBA provider. Read them carefully before investing*

### Managing Your Account

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

Empower Retirement will mail you a quarterly account statement showing your account balance and activity. You can also check your account balance and move money among investment options on the website at [www.COJDCP.com](http://www.COJDCP.com) or by calling the voice response system at (855) COJ-4570 (265-4570).<sup>1</sup>

You will also receive separate quarterly statements on your SDB account from TD Ameritrade. TD Ameritrade will send you a monthly statement if you have account activity in any given month. These statements will detail the investment holdings and activity within your TD Ameritrade account, including any fees and charges imposed in connection with the account.

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

Use your Personal Identification Number (PIN) 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 among investment options (subject to Plan rules) and change how your employer contributions are invested.<sup>1</sup>

### Rollovers

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

Yes, but only approved balances from an eligible 401(a), 401(k), 403(b) or governmental 457(b) plan or an Individual Retirement Account (IRA) may be rolled over to the Plan. You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options. Please check with your Empower Retirement representative regarding any applicable fees on the rollover account.

### **May I roll over my account if I leave employment with my current employer?**

If you sever employment with your current employer, you may roll over your account balance to another eligible 401(a), 401(k), 403(b) or governmental 457(b) plan if your new employer's plan accepts such rollovers. You may also roll over your account balance to an IRA.

If you roll over any governmental 457 dollars to another type of plan or account, the withdrawals made prior to you reaching age 59½ may be subject to a 10% federal early withdrawal penalty upon distribution from the non-457 account. Please contact your Empower Retirement representative for more information.<sup>2</sup>

### **Vesting**

#### **When am I vested in the Plan?**

Vesting refers to the percentage of your account you are entitled to receive upon the occurrence of a distributable event. Your rollovers from previous employers to the Plan and any earnings they generate are always 100% vested.

### **Distributions**

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

Qualifying distribution events are as follows:

- Retirement
- Permanent disability
- Severance of employment (as defined by the Internal Revenue Code)
- Purchase of service
- Death (upon which your beneficiary receives your benefits)

#### **What are my distribution options?**

1. Leave the value of your account in the Plan until a future date.
2. You are able to receive payment in the following forms:
  - Periodic payments,
  - Fixed annuity payments,
  - Partial lump sum with remainder paid as periodic payments or annuity payments, or
  - A lump sum.
3. Roll over your account balance to an eligible 401(a), 401(k), 403(b) or governmental 457(b) plan or to 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 an Empower Retirement representative to request a distribution.

### **Taxes**

#### **How does my participation in the Plan affect my taxes?**

Employer contributions and any earnings are tax-deferred until you withdraw money, usually at retirement.

Distributions may be subject to ordinary income tax. Distributions made prior to the investor reaching age 59½ may incur a 10% early withdrawal penalty.

### **Fees**

#### **Are there any recordkeeping or administrative fees to participate in the Plan?**

The annual administrative fee is 0.10%, or 0.0250% per quarter. For example, if you have a \$10,000 account balance, your total annual fee would be \$10. This would be assessed quarterly at \$2.50. For additional information, please contact your Empower Retirement representative for more information about any potential investment option fees.

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

Each investment option has its own operating expenses. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading individual securities within the investment options and other management expenses. Funds may also impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. Asset allocation funds may be subject to a fund operating expense at the fund level, as well as prorated fund operating expenses of each underlying fund in which they invest. For more information, see the fund's prospectus and/or disclosure documents.

#### **Are there any distribution fees?**

For the Plan, there are no distribution fees.

### **Loans**

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

Your Plan does not allow loans.

### **Qualified Domestic Relations Order (QDRO)**

#### **May I process a QDRO from my account?**

Your Plan does not allow QDROs.

### **Investment Assistance**

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

Empower Retirement and the City of Jacksonville cannot give investment advice. 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 construct your Plan account yourself.

#### **How can I get help choosing my investment options?**

Your Plan offers access to three different levels of investment advisory tools and services through Empower Retirement Advisory Services, provided by Advised Assets Group, LLC, a registered investment adviser. You can have AAG manage your retirement account for you through the Managed Account service, or if you prefer to manage your retirement account on your own, you can use Online Investment Guidance or Online Investment Advice. Advisory Services provides a retirement strategy 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 or that the related account will outperform a self-managed portfolio invested without assistance.

For more detailed information, please log in to your Plan's website at **www.COJDCP.com** (click on *Guidance*) or call the voice response system at **(855) COJ-4570 (265-4570)** and speak to an AAG representative.

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

While Online Investment Guidance is available at no additional cost to you, there is a \$25 annual fee, assessed to your account at \$6.25 quarterly, for Online Investment Advice.

If you choose to have AAG manage your account for you, the annual Managed Account service fee will be assessed to your account in quarterly installments based on a percentage of your account balance, as follows.

<b>Account Balance</b>	<b>Annual Fee</b>
Up to \$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
Greater than \$400,000	0.15%

For example, if your account balance is \$50,000, the maximum annual fee will be 0.45% of the account balance (\$225). If your account balance is \$500,000, the first \$100,000 will be subject to a maximum annual fee of 0.45% (\$450); the next \$150,000 will be subject to a maximum annual fee of 0.35% (\$525); the next \$150,000 will be subject to a maximum annual fee of 0.25% (\$375); and any amounts over \$400,000 will be subject to a maximum annual fee of 0.15% (\$150).

**How do I get more information?**

Visit the website at **www.COJDCP.com** or call the voice response system toll free at **(855) COJ-4570 (265-4570)**. The website provides information regarding your Plan and financial education, as well as financial calculators and other tools to help you manage your account.

1 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 in 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.

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