



PERS Defined Contribution Retirement Plan Features and Highlights

The Alaska PERS Defined Contribution Retirement Plan, or DCR Plan, is a defined contribution plan governed by Section 401(a) of the Internal Revenue Code. You contribute a portion of your pre-tax wages to the Plan from each paycheck to your account, and your employer makes a matching contribution. You can choose how to invest the money you contribute to the plan, using the investment options chosen by the Alaska Retirement Management (ARM) Board. Your vested account balance is available to you or your beneficiary at a future date.



CONTRIBUTIONS AND MATCH INFORMATION

How do I contribute?

Each pay period, you contribute 8% of your gross eligible compensation to your account through an automatic payroll deduction, before taxes are calculated.

How much does my employer contribute?

As a PERS participant, your employer contributes an additional 5% of your gross eligible compensation to your account each pay period — for a total combined contribution of 13% of your gross eligible salary.

VESTING

When am I vested in the Plan?

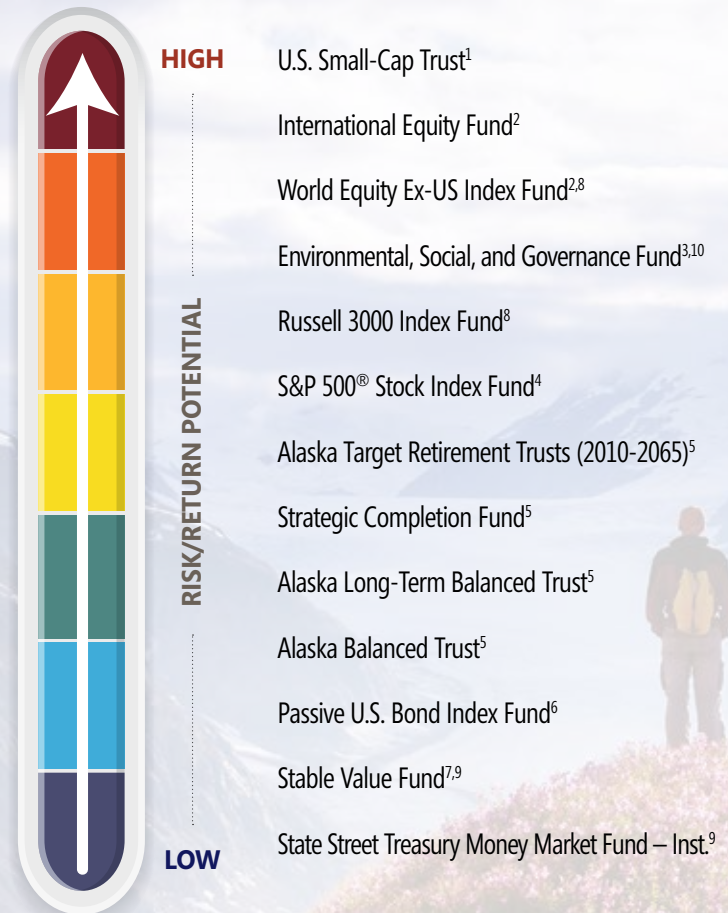
Vesting refers to the percentage of your account you are entitled to receive when a distributable event occurs. Your contributions to the Plan and any earnings they generate are always 100% vested. Employer contributions to the Plan, plus any earnings they generate, are vested as follows:

| Years of Service | Vested Percentage of Contributions |
|------------------|------------------------------------|
| 1 year | 0% |
| 2 years | 25% |
| 3 years | 50% |
| 4 years | 75% |
| 5 years | 100% |

If you take any distribution from your DCR plan, your vesting will start over at 0% if you return to work under a PERS employer. If you leave your funds in the plan, your vesting will remain.

INVESTMENTS

Your Plan investment option lineup at a glance:



Continued on page 2

FOR ILLUSTRATIVE PURPOSES ONLY. The chart reflects the expected relative risk/return potential over the long term. Past performance is not a guarantee of future results.



INVESTMENTS *(continued)*

What is the default investment option?

Initially, your contributions are automatically invested in one of the Alaska Target Retirement Trusts or the Alaska Balanced Trust, based on your year of birth:

| Year of Birth | Fund Default Option |
|----------------|-------------------------------------|
| 1998 or after | Alaska Target Retirement 2065 Trust |
| 1993-1997 | Alaska Target Retirement 2060 Trust |
| 1988-1992 | Alaska Target Retirement 2055 Trust |
| 1983-1987 | Alaska Target Retirement 2050 Trust |
| 1978-1982 | Alaska Target Retirement 2045 Trust |
| 1973-1977 | Alaska Target Retirement 2040 Trust |
| 1968-1972 | Alaska Target Retirement 2035 Trust |
| 1963-1967 | Alaska Target Retirement 2030 Trust |
| 1958-1962 | Alaska Target Retirement 2025 Trust |
| 1953-1957 | Alaska Target Retirement 2020 Trust |
| 1948-1952 | Alaska Target Retirement 2015 Trust |
| 1943-1947 | Alaska Target Retirement 2010 Trust |
| 1942 or before | Alaska Balanced Trust |

Each Target Retirement Trust offers a professionally selected, diversified portfolio in a single investment option. The mix of assets automatically adjusts to become more conservative as the target retirement date approaches, and they are automatically rebalanced. One of these trusts may be appropriate for you if you don't have the time or expertise to manage your retirement investments. Complete information on each Target Retirement Trust is available at www.akdrb.com.

The chart shown is only intended as a guide based on the overall design of the funds. It is not intended as financial planning or investment advice. Please consult with your financial planner or investment advisor as needed. The date in a target date fund's name is the approximate date when investors are expected to start withdrawing their money (generally assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal.

What are my investment choices?

The DCR Plan is a participant-directed plan. You choose from the investment options offered by the Plan. You can invest your contributions in any the following ways, depending on your knowledge and comfort level with researching and selecting investments:



Keep your money invested in an Alaska Target Retirement Trust based on your planned retirement date and risk tolerance – Visit www.akdrb.com and click *Investing* for detailed information about the Alaska Target Retirement Trusts.



Build and manage your own portfolio – You can build and manage your own portfolio by investing in one or more of your Plan's investment options. The Plan offers investments in a mix of asset classes to help you create a portfolio that suits your retirement goals and risk tolerance.

The Alaska Retirement Management Board has selected the Plan's investment options, which are described in detail in the Plan Information Booklet and in the individual Fund Overviews, which are available at www.akdrb.com by selecting *Investment information* under the *Investing* menu.

On www.akdrb.com, you can also find a variety of online calculators and planning tools to help you. From there, you select the investment options and implement your own retirement savings strategy.

How can I make changes to my investment selections?

You can move all or a portion of your existing balances among investment options and change how your future contributions are invested by visiting the website at www.akdrb.com or by calling the voice response system toll free at **1-800-232-0859**. Until you change how your future contributions are allocated, your money will continue to be invested in your default investment option, as discussed on the previous page.

You can transfer assets among existing fund options and allocation changes for future contributions once a day at no charge. However, your chosen funds may impose redemption fees, and/or transfer restrictions, on certain transfers, redemptions or exchanges if assets are held for less than the period stated in the fund's disclosure documents. For more information, please refer to the fund's disclosure documents at www.akdrb.com.

Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower for a prospectus, summary prospectus for SEC registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.

You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

EMPOWER ADVISORY SERVICES

The Plan offers two different levels of investment support called Empower Advisory Services, offered by Empower Advisory Group, LLC (EAG), a registered investment adviser.

- 1 Online Advice** – This online service provides fund-specific recommendations to support you as you make your investment decisions. You select and implement your own retirement savings strategy. The service provides you with access to investment adviser representatives to answer your questions.

Online Advice is available at no additional cost to you.

- 2 My Total Retirement™** – **PLEASE NOTE: My Total Retirement is currently closed to new enrollments. You can only participate if you are already enrolled in the service.** With My Total Retirement, EAG builds and manages a portfolio for you, based on your specific goals. EAG makes adjustments as you get closer to retirement and/or as you provide additional information when your financial picture changes. You have access to a team of investment adviser representatives to help answer your questions.

The annual fee for this service is based on a percentage of your assets under management and deducted from your account on a quarterly basis as follows:

| Assets Under Management | Annual Fee |
|-------------------------|------------|
| Up to \$100,000 | 0.45% |
| Next \$150,000 | 0.35% |
| Next \$150,000 | 0.25% |
| Greater than \$400,000 | 0.15% |

These services provide a retirement strategy based on your income replacement goals, desired retirement age and current savings. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit. For more information visit www.akdrb.com, click *Investing* and select *Investment assistance*.

FEES/CHARGES

What fees do I pay to participate?

Every Plan participant helps cover the costs of administration through two types of fees:

- 1** A monthly fee based on a 0.11% annual rate on assets (0.0011/12 x month-end asset balance)
- 2** A fixed annual fee of \$35 for actively contributing participants or \$25 for non-contributing members. This fixed annual fee is charged to your account each July.

The Plan may also charge fees for the use of specific features, such as My Total Retirement. In addition, the Plan's funds have

annual investment expenses that vary fund by fund. These costs are factored into the rate of return from the investment. For more detailed information, please read the corresponding Fund Overview available at www.akdrb.com. There are no front-end sales charges with any of the Plan's investments.

WITHDRAWALS

When and how can I make withdrawals?

You become eligible to receive payment of your account 60 days after you have been terminated from employment.

If you are rehired before the 60-day period has passed, the withdrawal request will be canceled and a new 60-day period will begin at the next termination. Payment mailing occurs after the 60-day termination period and the Plan administrator approves your distribution. The only exception to payment eligibility earlier than 60 days after termination is for a qualified hardship. Very strict criteria must be met for a hardship distribution.

When you qualify for a withdrawal (also known as a distribution), you have the following options available:

- » Defer payment until you reach the age for a required minimum distribution (usually age 73)
- » Lump-sum payment (full or partial)
- » Five-, 10- and 15-year period-certain annuity
- » Single life annuity
- » Single life annuity with 10- or 15-year period-certain
- » 50% or 100% joint/survivor annuity
- » Periodic payment (monthly, quarterly, semi-annually or annually)
 - Period certain
 - Minimum distribution option
 - Payment certain
- » Direct rollover to a traditional IRA or Roth IRA or other qualified or eligible plan

Consider all your options and their features and fees before moving money between accounts.

How will participation in the Plan affect my taxes?

The amount of taxes you pay and when you pay them are determined by whether you take payment directly or make a direct transfer to a traditional IRA or other qualified plan. Your payment will be taxed in the year of distribution unless you roll it over. However, if you receive the payment before age 59½, you also may have to pay an additional 10% tax penalty. Direct rollovers to Roth IRAs are reported as taxable income but are not subject to the additional 10% tax penalty. Under the State Taxation of Pension Income Act of 1995, monies received from plans such as the Plan are also taxed using the state of the recipient's residence, which is determined by your address. State-mandatory withholding will be taken from your distribution depending on your state of residency.

ACCOUNT MANAGEMENT

How do I make changes to my account and get more information?

You have a variety of ways to manage your account:



ONLINE – After registering your account online at www.akdrb.com, you can log in to perform the following:

- » Obtain your current account balance.
- » Obtain daily fund values.
- » Transfer funds from one investment option to another without submitting forms.
- » Change allocations of future deposits without submitting forms.
- » Update your beneficiary.



THE VOICE RESPONSE SYSTEM (VRS) – The VRS is a toll-free, voice-response telephone service that allows you to access your account seven days a week, 24 hours a day. Call **1-800-232-0859**.



EMPOWER REPRESENTATIVES – To speak to a client services representative, call the VRS at **1-800-232-0859** and say “representative.” Representatives are available Monday through Friday from 4 a.m. to 6 p.m. Alaska time and Saturday from 5 a.m. to 1:30 p.m. Alaska time to assist you with the following:

- » Changing your address or your name if you are an inactive or retired employee (active employees must contact their employer to change their address or name).
- » Account withdrawals (Empower processes all Plan payments and should be contacted for information on how to complete disbursement forms and for the status of pending payments).



ANCHORAGE OFFICE – You can email the Anchorage office at anchorageoffice@empower.com with your questions.



JUNEAU DRB OFFICE – You can reach the Juneau Division of Retirement and Benefits office at **1-800-821-2251** or **907-465-4460** from Juneau. The Juneau Division of Retirement and Benefits is responsible for the overall administration of this Plan.



TEXT TELEPHONE (TTY) – Participants with a hearing impairment can use a special toll-free TTY (text telephone) number to contact client service representatives. The TTY line is available Monday through Friday from 4 a.m. to 6 p.m. Alaska time and Saturday from 5 a.m. to 1:30 p.m. Alaska time. The number is 1-800-766-4952.



- 1 Equity securities of small and mid-size companies may be more volatile than securities of larger, more established companies.
- 2 Foreign investments involve special risks, including currency fluctuations, taxation differences and political developments.
- 3 Specialty funds invest in a limited number of companies and are generally non-diversified. As a result, changes in market value of a single issuer could cause greater volatility than with a more diversified fund.
- 4 S&P 500® Index is a registered trademark of Standard & Poor's Financial Services LLC.
- 5 Asset allocation and balanced investment options and models are subject to the risks of their underlying investments.
- 6 A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.
- 7 A stable value fund is not federally guaranteed and may lose value. It has interest rate, inflation and credit risks associated with the underlying assets owned by the fund. A guaranteed separate account stable value fund is offered through an insurance company group annuity contract or funding agreement. The strength of the guarantee is dependent on the financial strength of the insurance company issuing the contracts.

- 8 30-day frequent trading restrictions exist on the Russell 3000 Index and World Equity EX-US Index Funds
- 9 90-day equity wash provision exists between the Stable Value and State Street Treasury Money Market Funds
- 10 Under certain market conditions, socially responsible funds may underperform funds that do not utilize a socially responsible investment style.

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