



SBS Supplemental Annuity Plan Features and Highlights

The Alaska Supplemental Annuity Plan (SBS-AP, or the Plan) is a defined contribution plan governed by Section 401(a) of the Internal Revenue Code. Instead of making contributions to Social Security, you contribute a portion of your pre-tax wages from each paycheck to your account, and your employer makes a matching contribution. These contributions and any change in value (including interest, gains and losses) are payable to you or your beneficiary at a future date.

CONTRIBUTIONS AND MATCH INFORMATION

How do I contribute? Does my employer match my contribution?

If you are an employee of the State or one of the many political subdivisions that have elected to be in the Plan, your employment status will determine whether you are required to contribute to this Plan. Each pay period, you contribute 6.13% of your gross (pre-tax) wages. Your employer also makes a matching contribution of 6.13%. The total contribution is 12.26% of your pre-tax wages, up to the current Social Security maximum wage base. This wage base changes yearly. Your personnel department or Plan representative can tell you the current wage base in effect.

INVESTMENTS

Your Plan investment option lineup at a glance:



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	Default Investment 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?

SBS-AP 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.



Get help choosing your investment options with Advisory Services – Your Plan offers two different levels of investment support called Empower Retirement Advisory Services, offered by Advised Assets Group, LLC (AAG), a registered investment adviser.

1 My Total Retirement™ – With this service, AAG builds and manages a portfolio for you, based on your specific goals. AAG 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%

2 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.

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*.

Online Advice and My Total Retirement™ are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

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.

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.¹³

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 us for a disclosure document containing this information. Read each carefully before investing.

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 investment options 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 investment options.

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:

- » Deferred payment until you reach the age for a required minimum distribution (usually age 72)
- » 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
- » Direct rollover to a traditional IRA or Roth IRA or other qualified or eligible plan

Lump-sum payments to participants, former spouse alternate payees, and spouse beneficiaries are eligible for direct transfer or rollover to a qualified plan or IRA. A rollover is a payment of your Plan benefits to your IRA or to another employer plan. A payment from the Plan that is eligible for rollover can be taken in two ways: 1) You can have your payment paid in a direct rollover; or 2) paid to you and rolled over within 60 days of distribution.

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.

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 also contact the Anchorage office at **1-800-526-0560** or **1-907-276-1500** with your questions.



JUNEAU DRB OFFICE – You can reach the Juneau Division of Retirement and Benefits office at **1-800-821-2251** or **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 and an unmanaged index considered indicative of the domestic large-cap equity market. The fund is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of investing in the fund.
- 5 Asset allocation and balanced investment options and models are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.
- 6 Asset allocation and balanced investment options and models are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds and bonds/bond funds.
- 7 Real estate securities and trusts involve greater risks than other non-diversified investments, including but not limited to: declining property values, varying economic conditions, changes in zoning laws or losses from casualty. Real estate securities that invest in foreign real estate involve additional risk, including currency fluctuations and political developments.
- 8 U.S. Treasury securities are guaranteed as to the timely payment of principal and interest if held to maturity. Investment options are neither issued nor guaranteed by the U.S. government.

- 9 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.
- 10 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.
- 11 30-day frequent trading restrictions exist on the Russell 3000 Index and World Equity EX-US Index Funds
- 12 90-day equity wash provision exists between the Stable Value and State Street Treasury Money Market Funds
- 13 Transfer requests received on business days prior to close of the New York Stock Exchange (12 p.m. Alaska 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.

Securities offered by GWFS Equities, Inc., Member FINRA/SIPC, marketed under the Empower brand. GWFS is affiliated with Great-West Funds, Inc.; Great-West Trust Company, LLC; and registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC, marketed under the Great-West Investments™ brand. This material has been prepared for informational and educational purposes only and is not intended to provide investment, legal or tax advice. ©2020 Great-West Life & Annuity Insurance Company. All rights reserved. RO1028985-0120