

# Metropolitan Water District of Southern California (MWD) 401(k) Retirement Plan Features and Highlights

**Read these highlights to learn more about your Plan. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.**

## About the 401(k) Plan

A 401(k) plan is a retirement savings plan designed to allow eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn.

## Eligibility Requirements

All permanent full time employees of MWD after 6 months are eligible to participate in the 401(k) Plan.

## Enrollment

You may enroll by completing an enrollment form and returning it to MWD's Human Resource Department.

## 2015 Contribution Limits

- Combined maximum limit of 100% of your compensation or \$18,000, whichever is less for all retirement contributions.

Participants turning age 50 or older in 2015 may contribute an additional \$6,000.

## Employer Contributions

Your employer matches 100% of your contribution up to the first 4.5% of included compensation.

## Vesting Schedule

Vesting refers to the percentage of your account you are entitled to receive upon the occurrence of distributable events. Your contributions and any earnings are always 100% vested (including rollovers from previous employers).

## Investment Options<sup>1</sup>

A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund sheets. Once you have enrolled, investment option information is also available through the website at [www.mwdplans.com](http://www.mwdplans.com) or by calling KeyTalk<sup>®</sup> toll free at (800) 701-8255. The website and KeyTalk are available to you 24 hours a day, seven days a week.<sup>2</sup>

In addition to the core investment options, a self-directed brokerage (SDB) account is available. The SDB account allows you to select from numerous investment options for additional fees. The SDB account is intended for knowledgeable investors who

acknowledge and understand the risks associated with the investments contained in the SDB account.

## Deferrals, Transfers and Allocation Changes

Use your Personal Identification Number<sup>3</sup> (PIN) and Username to access the website, or you can use your Social Security number and PIN to access KeyTalk. You can move all or a portion of your existing balances among investment options (subject to Plan rules) and change how your payroll contributions are invested.<sup>2</sup>

## Rollovers

Only Plan administrator approved balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the Plan.<sup>4</sup>

## Withdrawals

Qualifying distribution events are as follows:

- Retirement
- Permanent disability
- Financial hardship (as defined by the Internal Revenue Code and your Plan's provisions)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Attainment of age 59½
- Death (your beneficiary receives your benefits)

Ordinary income tax will apply to each distribution. Distributions received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty. Refer to your Summary Plan Description for more information about distributions.

## Plan Fees

### Recordkeeping or Administrative Fees:

There are no Plan recordkeeping or administrative fees.

### Distribution Fees:

There are no Plan distribution fees.

## Investment Option Fees:

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading of securities within the investment options and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges. Asset allocation funds are generally 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, please refer to the fund prospectus and/or disclosure document. Funds are subject to the risks of the underlying funds.

There may be a recordkeeping or administrative fee for investing in certain investment options. Please contact your Empower Retirement™ representative for more information about any potential investment option fees.

There is an annual SDB transaction fee of \$20.00. Please see your Plan's website for more information.

## Loans

Your Plan allows you to borrow the lesser of \$50,000 or 50% of your total vested account balance. The minimum loan amount is \$1,000 and you have up to five years to repay your loan—up to 15 years if the money is used to purchase your primary residence. There is a \$50 origination fee for each loan, plus an ongoing annual \$25 fee. You may have two outstanding loans at a time.

## Reality Investing® Advisory Services (“Advisory Services”)

Your Plan has a suite of services called Advisory Services provided by Advised Assets Group, LLC (AAG), a federally registered investment adviser. You can have AAG manage your retirement account for you. Or if you prefer to manage your retirement account on your own, you can use Online Investment Guidance and Advice tools. These services help create a personalized retirement strategy for you.

For more detailed information about Advisory Services, including any applicable fees, visit your Plan's website at [www.mwdplans.com](http://www.mwdplans.com) (click on the “Advisory Services” tile) or call KeyTalk at **(800) 701-8255** to speak to an AAG adviser representative.

## How Can I Get More Information?

Visit the website at [www.mwdplans.com](http://www.mwdplans.com) or call KeyTalk toll free at **(800) 701-8255** for more information. The website provides information regarding your Plan, as well as financial education information, financial calculators and other tools to help you manage your account.

1 All information contained on the website, in prospectuses, and in other investment option documents is offered in English. Please have this information translated for your understanding.

2 Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website and/or KeyTalk received on business days prior to close of the New York Stock Exchange (4:00 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.

3 The account owner is responsible for keeping the assigned PIN confidential. Please contact a client service representative immediately if you suspect any unauthorized use.

4 You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.

## Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

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