

A GAME PLAN FOR YOUR FUTURE



TEXA\$AVER
401(k) / 457 Program

ERS
EMPLOYEES RETIREMENT
SYSTEM OF TEXAS



Team up with Texa\$aver

Today, many financial experts agree that you will need at least 70% of your income to maintain your current lifestyle in retirement.¹ And while you may receive money from a pension and Social Security benefits when you retire, that may not be enough.

That's where the Texa\$aver 401(k)/457 Program comes into play.

Texa\$aver, a voluntary retirement savings program offered through Employees Retirement System of Texas (ERS), can help you save for your future.

1 Source: <https://www.socialsecurity.gov/planners/morecalculators.htm>, 2012

2 Access to the Texa\$aver Information Line and 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 or Information Line received on business days prior to close of the New York Stock Exchange (3 p.m. CT 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.

PROGRAM HIGHLIGHTS

- ◆ *Before-tax contributions*
- ◆ *Roth after-tax contributions*
- ◆ *Easy payroll deductions*
- ◆ *24/7 account access*
- ◆ *Low investment fees*
- ◆ *Flexibility and control*
- ◆ *Investment advice*



GET IN THE GAME; ENROLL TODAY!

- ◆ Go to www.texasaver.com²
- ◆ Or call (800) 634-5091²
- ◆ Then complete and return the **Enrollment and Beneficiary Forms**

Develop a Game Plan

Enrolling in Texa\$aver Is Easy; Follow These Three Steps:

Step 1: Select a Plan—401(k) and/or 457

- ◆ All part-time and full-time state and higher education employees are eligible to enroll in the 457 Plan. (Community college employees should check with their Benefits Coordinator for eligibility.)
- ◆ The 401(k) Plan is only available to state employees.

The included flier can help you choose your Plan. If you are eligible to contribute to a 403(b), be sure to review that chart, as well.

Step 2: Set your contribution amount and money type

- ◆ Employees contribute a percentage of their salary to the 401(k) Plan (minimum 1%) and a dollar amount to the 457 Plan (minimum \$20), up to the current maximum annual deferral for both before-tax and Roth after-tax contributions. Higher education employees may participate in Roth as long as their agency offers the Roth option. Contribution limits are set by the IRS yearly. The most current information can be found on www.texasaver.com.
- ◆ Employees have the option to contribute before-tax or Roth dollars. With before-tax contributions, you pay taxes on the contributions and earnings when you take a distribution. With the Roth contribution option, you pay your taxes on the money when you contribute. The Roth contribution option lets you essentially "lock in" today's tax rate on your contributions. If you expect to be in a higher tax bracket when you retire, then Roth contributions may make sense for you.
- ◆ The savings and contribution analyzer calculators at www.texasaver.com can help you determine your contribution amount and money type.

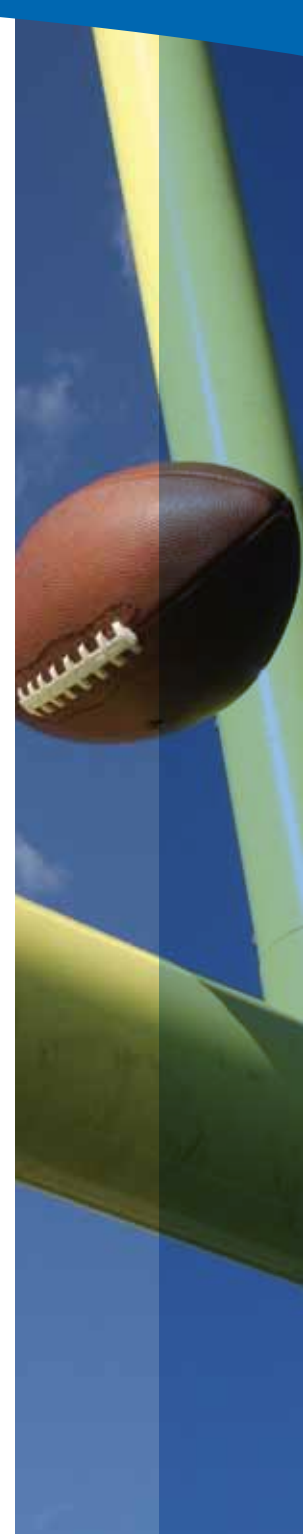
Step 3: Choose your investments

Texa\$aver offers a variety of investment options (see enclosed fliers or go online at www.texasaver.com for more details), including:

- ◆ A series of Target Date Funds
- ◆ Many core investment options
- ◆ Self-directed brokerage account

Don't get stuck on the sideline. Enroll now!

- ◆ **Online at www.texasaver.com.** You will need your personal identification number³ (PIN) to establish your Texa\$aver account online.
- ◆ **By mail.** Complete and return the *Enrollment* and *Beneficiary forms*. You can access the forms on the website or by calling (800) 634-5091 weekdays from 8 a.m. to 7 p.m. CT.²



³ The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services® immediately if you suspect any unauthorized use.

Investment Lineup

You have a variety of investment options to choose from when you save with Texa\$aver, including Target Date Funds, core funds, and a self-directed brokerage account option. How do you determine what is the right mix for you?

Before you invest, review the funds' objectives and risk levels. For more fund information, go to www.texasaver.com and select *Investments*.

Wells Fargo Advantage Dow Jones Target Date FundsSM

Target Date Funds offer a simple solution to investing. All you need to do is, find the fund that corresponds with your expected retirement date. A complete list of Target Date Funds is on www.texasaver.com. For example, if you are close to retiring or already retired, you may want to consider the Target Today Fund. The date in the Target Date Funds represents an approximate date when an investor would expect to start withdrawing his or her money. The principal value of the funds is not guaranteed at any time, including at the target date.

Each fund is diversified—spread among asset classes and investment styles—and automatically becomes more conservative as you get closer to retirement.⁴ Texa\$aver participants who invest in a Wells Fargo Advantage Dow Jones Target Date Fund receive a rebate of 0.25% of the investment fees. Rebates are additional discounts offered by the mutual funds as a benefit to participants and are subject to change.

How Do You Know Which Target Date Fund Is Right for You?

Take the year you were born and add it to the age at which you expect to retire or withdraw your money.

Write the year you were born here: _____

+ 65

= _____ This is your target retirement year.*

* Each fund has a year in its name. Look for the year closest to your target retirement year in the name of the fund.

Please consider the investment objectives, risks, fees, and expenses carefully before investing. For this and other important information, you may obtain mutual fund prospectuses and disclosure documents from your registered representative. Read them carefully before investing.

4 Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.



Texa\$aver Core Funds

Visit www.texasaver.com for investment option information. If you want to create your own fund mix, select funds that can help you meet your retirement goals. The Texa\$aver investment lineup consists of options spanning from conservative to aggressive asset classes. Be sure to consider your time horizon and risk level prior to investing. If you need help, call (800) 634-5091 to speak with a Texa\$aver representative.^{2,5}

Self-Directed Brokerage Account

For more flexibility, you can set up a self-directed brokerage account (SDBA) with Schwab Personal Choice Retirement Account® (PCRA). The PCRA is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDBA. You can access more than 4,700 mutual funds, exchange-traded funds, certificates of deposit (CDs), and most stocks and bonds. More than 1,100 mutual funds are available with no loads and no transaction fees.

- ◆ Fees for electronic trades are:
 - ◆ \$8.95 per trade (does not apply to foreign transactions or large block transactions, which require special handling)
 - ◆ \$8.95, plus \$0.75 per contract, for options
 - ◆ \$25 and higher for broker-assisted trades
 - ◆ Additional fees may apply
- ◆ You are required to keep a minimum of \$500 in the core Texa\$aver funds at all times.

Texa\$aver provides flexibility through the Schwab PCRA. Knowledgeable investors can select from thousands of stocks, bonds, and mutual funds, including socially responsible investments.

Texa\$aver Advisor Service

HELP FROM THE SPECIAL TEAMS

Texa\$aver Advisor Service can provide you with advice on your investments. You can get advice in three different ways; choose the best option for you.

For more information about the Texa\$aver Advisor Service, go to www.texasaver.com and select *Resource Center*.

Online Investment Guidance	Online Investment Advice	Managed Account
<ul style="list-style-type: none">• Self-service• Generic asset allocation• Do-It-MyselfSM Investor• Personal retirement planning• Savings strategy• Available online• No additional fee	<ul style="list-style-type: none">• Self-service• Fund-specific recommendations• Help-Me-Do-ItSM Investor• Personal retirement planning• Savings strategy• Available online• No additional fee	<ul style="list-style-type: none">• Full service• Fund-specific selection and management• Do-It-For-MeSM Investor• Personal retirement planning• Savings strategy• Available online and by phone• Fees apply

There is no guarantee that participation in the Texa\$aver Advisor Service will result in a profit or that your account will outperform a self-managed portfolio.

5 Representatives of the Texa\$aver Program are not registered investment advisers and cannot offer financial, legal, or tax advice. Please consult with your financial planner, attorney, and/or tax adviser as needed.

www.texasaver.com
(800) 634-5091

Managed Account Fees

There is a monthly fee for the Managed Account service. The fees are structured according to your account balance.

Account Balance	Monthly Fee
<\$100,000	0.0375%
Next \$150,000	0.0292%
Next \$150,000	0.0208%
>\$400,000	0.0125%

Example Account Balance	Monthly Fee Charged
\$10,000	\$3.75
\$20,000	\$7.50



Texa\$aver Program Administrative Fee

The Program is not funded by the State. Therefore, fees are assessed to pay for the administration and record keeping of the Program. Administrative fees apply to the 401(k) and 457 Plans separately. Fees are assessed to before tax and Roth assets separately, using the same fee schedule.

Account Balance	Monthly Fee per Participant per Account per Contribution Type
\$10.00 or less	No fee
Between \$10.01 and \$1,000.00	\$1.18
Between \$1,000.01 and \$16,000.00	\$3.99
Between \$16,000.01 and \$32,000.00	\$6.32
Between \$32,000.01 and \$48,000.00	\$9.49
Between \$48,000.01 and \$64,000.00	\$12.24
\$64,000.01 or more	\$15.30

Texa\$aver fees are assessed on the entire balance of your account (Core and PCRA combined).



Roll Over Money from Another Plan

You can transfer, or "roll over," money from a prior eligible employer's 401(k), 401(a), 403(b), or governmental 457 plan into the TexaSaver 401(k) or 457 Plan. You can also roll over money from an eligible Individual Retirement Account (IRA). The TexaSaver 401(k) and 457 Plans accept rollovers from other qualified plans with Roth contributions. You cannot roll over Roth IRAs to TexaSaver.

Any money you roll into the 401(k) Plan becomes subject to a 10% early withdrawal penalty if you take it from the account before you are 59½. Any money you roll into the 457 Plan that was subject to the 10% early withdrawal penalty is still subject to a 10% early withdrawal penalty if you take it from the account before you are 59½. Rollovers from other eligible governmental 457 plans are not subject to an early withdrawal penalty if you roll them directly into the TexaSaver 457 Plan.

It's easy to roll over your money.

First, decide whether you need a direct or indirect rollover. The following explains each rollover type.

Direct Rollover

A direct rollover is when a distribution from your former employer or IRA is made directly to your TexaSaver 401(k) or 457 Plan. This lets you avoid a 20% withholding by the IRS. Follow these steps:

1. Complete the appropriate Incoming Transfer/Rollover Request form, sign it, and mail it to Great-West Retirement Services® (Great-West). Include a copy of your statement from your former employer's retirement plan or IRA; and
2. Once you receive the Great-West approval letter, complete your previous employer's or IRA service provider's required form using the payment instructions on the Great-West approval letter.

Indirect Rollover

An indirect rollover is when you get a check for the rollover assets from your previous employer's 401(k), 401(a), 403(b), or 457 plan or your IRA. The previous employer/IRA service provider usually withholds 20% of this check for federal income tax. Follow these steps:

1. Complete the appropriate Incoming Transfer/Rollover Request form;
2. Sign the form and mail it to Great-West. Include a copy of your statement from your previous employer's retirement plan or IRA and the check for the amount you are transferring; and
3. Mail the rollover distribution check to Great-West within 60 days of receipt.
 - ◆ Contact a tax advisor to discuss any potential IRS taxes and penalties.

Use these forms to get started:

- ◆ Incoming Rollover Request 401(k) Plan
- ◆ Incoming Transfer/Rollover Request Governmental 457(b) Plan

Forms are available at www.texasaver.com. Or call (800) 634-5091 on weekdays from 8 a.m. to 7 p.m. CT for help.²



Resource Wrap-Up

Texa\$aver has the tools you need to manage your account.

Online at www.texasaver.com 

- ◆ Access account information and make transactions
- ◆ Download quarterly account statements and tax forms
- ◆ Review fund information, publications, and articles
- ◆ Get investment advice
- ◆ Use planning and savings calculators

By phone at (800) 634-5091 

Access your account information and perform transactions 24 hours a day, seven days a week. Or, speak with a Texa\$aver representative or an Investment Advisor weekdays from 8 a.m. to 7 p.m. CT.^{2,5}

Address Changes

To make address changes to your Texa\$aver account(s):

- ◆ Participants currently working for a state agency or higher education institution employer:
Make changes through your agency's benefits coordinator or sign in to your ERS account at www.ers.state.tx.us.
- ◆ Participants who are retired or no longer work for a state agency or higher education institution:
Complete a Personal Information Change Request form (available at www.texasaver.com or by calling (800) 634-5091) and fax or mail it to the address listed on the form.



You need your PIN to access your account online and by phone. If you need a new PIN, you can request one online or by phone.³



Enhanced Resources

Microsoft® Money or Quicken®: You can download your Texa\$aver account information to Microsoft Money or Quicken.⁶

Catch-up provisions: If you are age 50 or older, you may be eligible to make 401(k) or 457 catch-up contributions. If you enroll in the 457 Plan and are within three years of retirement, you may take advantage of the Special 457 Catch-up Provision. (The Age 50 and Over Catch-up and Special 457 Catch-up Provisions cannot be used in the same year.)

Service credit purchase:

401(k) Plan: You may purchase military service, additional service credit, or refunded or other eligible ERS service by transferring funds from your Texa\$aver account while employed. Teacher Retirement System (TRS) of Texas service may be purchased when distribution eligibility is met. This is not a taxable distribution.

457 Plan: You may purchase military service, additional service credit, or refunded or other eligible ERS/TRS service by transferring funds from your Texa\$aver account while employed. This is not a taxable distribution.

403(b) Plan: Contact your 403(b) administrator to see what it allows.

General purpose or residential loans: You may borrow from your account and pay back the loan, plus interest, through payroll deductions in both the 401(k) and 457 Plans. Additional fees and certain restrictions may apply.

Hardship and unforeseeable emergency withdrawals: You may withdraw money from your account if you qualify for a 401(k) hardship or 457 unforeseeable emergency.



The Finish Line

Congratulations on taking the first step to saving for your future! Now, to get in the game, fill out the appropriate forms or click on the "Enroll Now" tab on the website.

Need a replay? For more information and to access any forms, visit www.texasaver.com or call Texa\$aver at (800) 634-5091.²

6 Microsoft® and Microsoft® Money are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries. Quicken® is a registered trademark of Intuit, Inc., registered in the United States and other countries. Neither Great-West Life & Annuity Insurance Company nor its subsidiaries and affiliates are affiliated with Intuit® or Microsoft® Corporation.

www.texasaver.com

(800) 634-5091

Notes

TEXA\$AVER 401(k)/ 457 PROGRAM MISSION STATEMENT

To provide State of Texas employees an opportunity to achieve financial security in retirement by participating in the Texa\$aver Program where they can build and manage their investments through long-term planning and tax savings.

Core securities, when offered, are offered by Texa\$aver Program through GWFS Equities, Inc. GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated. Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company, FASCore, LLC (FASCore Administrators, LLC in California), Great-West Life & Annuity Insurance Company of New York, White Plains, New York, and their subsidiaries and affiliates. Great-West Life & Annuity Insurance Company is not licensed to conduct business in New York. Insurance products and related services are sold in New York by its subsidiary Great-West Life & Annuity Insurance Company of New York. Other products and services may be sold in New York by FASCore, LLC. Representatives of GWFS Equities, Inc. are not registered investment advisers and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution and administrative services. Investment options offered through mutual funds and collective trust funds. Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company. More information can be found at www.adviserinfo.sec.gov. The trademarks, logos, service marks, and design elements used are owned by Great-West Life & Annuity Insurance Company.

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