

# General Plan Information



## What is the Alaska Supplemental Annuity Plan?

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. A portion of your wages and a matching employer contribution are made pre-tax to this Plan instead of contributions to Social Security. These contributions plus any change in value (interest, gains and losses) are payable to you or your beneficiary at a future date.

## How are contributions determined?

If you are an employee of the state or one of the 20 political subdivisions that have elected to be in the Plan, your employment status will determine whether you are required to contribute to this Plan. Your SBS-AP account is credited with a gross contribution that consists of a reduction to your wages of 6.13% and a matching employer contribution of 6.13%. The total contribution is 12.26% of your payroll 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.

## How is the money invested?

SBS-AP is a participant-directed plan. This means that you choose from the investment options offered by the Plan. The providers of these investment options are selected by the Alaska Retirement Management Board. Investment options are described in detail in the Plan Information Booklet and in the individual Investment Option Detail Sheets, which are available at [www.akdrb.com](http://www.akdrb.com), by selecting “Investment Information” under the “SBS Supplemental Annuity Plan” tab, then choosing “Investment Options.”<sup>1</sup>

**Important Note:** Initially, your contributions made to the SBS-AP account are automatically invested in one of the Alaska Target Retirement Trust or Alaska Balanced Trust funds based on your year of birth as shown in the following table.

Year of Birth	Fund Default Option
1988 or after	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

*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.*

This is the default option. You can move all or a portion of your existing balances among investment options and change how your contributions are invested by visiting the Website at [www.akdrb.com](http://www.akdrb.com) or by calling KeyTalk®, at **1-800-232-0859**.<sup>1</sup> Until you change how your future contributions are allocated, your money will continue to be invested as shown.

## What are my investment options?

- U.S. Real Estate Investment Trust Index<sup>2</sup>
- U.S. Small-Cap Trust<sup>3</sup>
- Brandes International Equity Fund<sup>4</sup>
- World Equity Ex-US Index<sup>4</sup>
- Allianz/RCM Socially Responsible Investment Fund<sup>5</sup>
- Russell 3000 Index Fund
- S&P 500® Stock Index Fund<sup>6</sup>
- Alaska Target Retirement 2055 Trust<sup>7,8</sup>
- Alaska Target Retirement 2050 Trust<sup>7,8</sup>
- Alaska Target Retirement 2045 Trust<sup>7,8</sup>
- Alaska Target Retirement 2040 Trust<sup>7,8</sup>
- Alaska Target Retirement 2035 Trust<sup>7,8</sup>
- Alaska Target Retirement 2030 Trust<sup>7,8</sup>
- Alaska Target Retirement 2025 Trust<sup>7,8</sup>
- Alaska Target Retirement 2020 Trust<sup>7,8</sup>
- Alaska Target Retirement 2015 Trust<sup>7,8</sup>
- Alaska Target Retirement 2010 Trust<sup>7,8</sup>
- SSgA Global Balanced Fund<sup>4,8</sup>
- Alaska Long-Term Balanced Trust<sup>8</sup>
- Alaska Balanced Trust<sup>8</sup>
- World Government Bond Ex-US Index<sup>4,9</sup>
- Long US Treasury Bond Index<sup>9,10</sup>
- Government/Credit Bond Index Fund<sup>9,10</sup>
- US Treasury Inflation Protected Securities Index<sup>9,10</sup>
- Intermediate Bond Fund<sup>9</sup>
- Stable Value Fund
- State Street Institutional Treasury Money Market Fund

**Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, your registered representative can provide you with a mutual fund prospectus for the State Street Treasury Money Market Fund – Inst. and disclosure documents for the investment options exempt from SEC registration. Read them carefully before investing.**

*An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.*

## What if I need to make investment changes?

You may make transfers among existing fund options and allocation changes for future contributions once a day. There is no charge. Changes may be made by telephone via KeyTalk at **1-800-232-0859** or on the Internet by visiting the Website at [www.akdrb.com](http://www.akdrb.com).<sup>1</sup>

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

Your Plan offers access to three different levels of investment advisory tools and services called Reality Investing® Advisory Services. You can have Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company, manage your retirement account for you. Or if you prefer to manage your account on your own, you can use online investment guidance and advice tools. These services provide a retirement strategy based on your income replacement goals, desired retirement age and current savings. There is no guarantee that participation in Reality Investing Advisory Services will result in a profit or that your account will outperform a self-managed portfolio. An additional fee is charged for some of the Reality Investing services offered. See “What fees do I pay to participate in Reality Investing Advisory Services?” below for more information.

For more information about Reality Investing Advisory Services, please visit the Website at [www.akdrb.com](http://www.akdrb.com). Log in to your account and click on the “Advisory Services” tab. You may also call KeyTalk at **1-800-232-0859**. Enter your Social Security number (SSN) and Personal Identification Number <sup>11</sup> (PIN), and then say “representative.”

## What fees do I pay to participate in Reality Investing Advisory Services?

While there is no cost to use Online Investment Guidance, there is a \$25 annual fee assessed quarterly at \$6.25 for Online Investment Advice.

If you choose to have AAG manage your account for you, the annual Managed Account fee will be based on your account balance and deducted from your account on a quarterly basis, as follows:

Participant Account Balance	Annual Participant Fee
Less than \$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 subject to the Managed Account is \$50,000, the annual fee will be 0.45% of the account balance. The amount collected quarterly would be 0.1125% based upon your account balance on the day of fee assessment as described above.

If your account balance subject to the Managed Account is \$500,000, the first \$100,000 will be subject to an annual fee of 0.45% (0.1125% quarterly); the next \$150,000 will be subject to an annual fee of 0.35% (0.0875% quarterly); the next \$150,000 will be subject to an annual fee of 0.25% (0.0625% quarterly); and any amounts over \$400,000 will be subject to an annual fee of 0.15% (0.0375% quarterly).

## What are the Plan expenses?

There are no front-end loads for investment. Expenses are charged to your account in order to cover the cost of administration of the Plan. There are two types of fees: a monthly fee, based on a 0.11% annual rate on assets

(0.0011 / 12 x month-end asset balance), plus a fixed fee (charged annually) of \$35 for actively contributing participants, or \$25 for non-contributing members. The plan may also charge fees for using specific plan features.

In addition, the funds have annual investment expenses that vary depending on the funds you choose. The returns are net of these costs. For more detailed information, please read the corresponding Investment Option Detail Sheet available at [www.akdrb.com](http://www.akdrb.com).<sup>1</sup>

## When can I make a withdrawal?<sup>12</sup>

You are first eligible to receive payment of your account 60 days after you have been terminated from employment. If you are re-hired 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. Actual payment mailing occurs after you have been terminated 60 days and the Plan administrator approves your distribution.

The only exception to payment eligibility earlier than 60 days after termination is for a qualified hardship. There are very strict criteria that must be met for a hardship distribution.

## What are the Plan payment options?

After you have met the 60-day termination of employment requirement, you are eligible to receive a distribution. You will be allowed to take partial distributions, and there is no limit on the number of payments that can be taken. However, if you do not receive payment of your entire account, you must maintain a minimum \$1,000 account balance.

Payment options include:

- Do nothing and defer payment until you have obtained the age of Required Minimum Distribution
- 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, Roth IRA, or other qualified or eligible plan<sup>13</sup>

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: You can have your payment paid in a direct rollover or paid to you and rolled over within 60 days of distribution.

## How will a distribution affect my taxes?

The amount of taxes you pay, and when you pay them, is determined by whether you take payment directly or make a rollover to a traditional IRA or other qualified plan. Your payment will be taxed in the current year unless you roll it over. However, if you receive a lump-sum payment before age 59½, you also may have to pay an additional 10% tax penalty. Direct transfers 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 SBS-AP 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.

## How do I get more information?

### Anchorage Office

You can contact the Anchorage office at **1-800-526-0560** or **1-907-276-1500**.

### KeyTalk®

KeyTalk is a toll-free, voice-response telephone service that allows you to access your account seven days a week, 24 hours a day (except between 10:00 p.m. Saturday and 10:00 a.m. Sunday, Alaska time).<sup>1</sup> Call KeyTalk at **1-800-232-0859** to:

- Obtain your current account balance.
- Obtain daily fund values.
- Transfer funds from one investment option to another without submitting forms.<sup>1</sup> Written confirmation of all transfers will be sent.
- Change allocations of future deposits without submitting forms. Written confirmation of all changes will be sent.

To utilize KeyTalk, you will need a PIN.<sup>11</sup> This will be assigned to you upon enrollment.

### Internet Access

You can also use the Internet to conduct the same transactions you can do through KeyTalk, and to update your beneficiaries. You can do this by going to the Empower Retirement™ (Empower) Website at **www.akdrb.com**.<sup>1</sup>

### Empower Toll-Free Client Services Line

If you need to speak to a client services representative, call KeyTalk at **1-800-232-0859** and say "representative." These representatives are available to assist you Monday through Friday, from 5:00 a.m. to 5:30 p.m. Alaska time.<sup>1,14</sup>

### TDD Line (Telecommunication Device for the Deaf)

Also, for hearing-impaired participants, a special toll-free TDD (Telecommunication Device for the Deaf) number is available, allowing participants to communicate with client services representatives. The TDD line is available Monday through Friday, 5:00 a.m. to 5:30 p.m. Alaska time. This number is **1-800-766-4952**.

### Juneau Division of Retirement and Benefits

The Division of Retirement and Benefits is responsible for the overall administration of the Plan. To contact the Juneau Division of Retirement and Benefits office, call 1-800-821-2251 or 465-4460 from Juneau.

## Transactions Required Through Empower

The following transactions must be conducted through Empower:

- Inactive and Retired Employees: Changing your address or your name. (Active employees: Contact your employer to change your address or name.)
- Account Withdrawals: Empower processes all Plan payments. Empower should be contacted for information on

how to complete disbursement forms and for the status of pending payments.

To contact Empower, call **1-800-232-0859** and say "representative."

## Will I receive an account statement?

You'll receive a comprehensive statement of your account each quarter. If you prefer to receive your statements electronically, you can sign up to use the Online File Cabinet® for your account at **www.akdrb.com**.

1 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 or KeyTalk received on business days prior to close of the New York Stock Exchange (12:00 p.m. Alaska 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.

2 Real estate securities 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.

3 Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

4 Foreign investments involve special risks, including currency fluctuations and political developments.

5 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.

6 S&P 500® Index is a registered trademark of Standard & Poor's Financial Services LLC, and is an unmanaged index considered indicative of the domestic Large-Cap equity market.

7 The principal value of the Retirement Trusts is not guaranteed at any time, including at or after the target date, which is the approximate date when investors turn age 65.

8 Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

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 U.S. Treasury securities are guaranteed as to the timely payment of principal and interest if held to maturity. Fund shares are neither issued nor guaranteed by the U.S. government.

11 The account owner is responsible for keeping the assigned PIN confidential. Please contact Empower Retirement immediately if you suspect any unauthorized use.

12 Withdrawals are subject to ordinary income tax.

13 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.

14 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.

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

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