



Embark on  
Your Retirement

## City of Baltimore 457 Deferred Compensation Plan Features and Highlights

The City of Baltimore 457 Deferred Compensation Plan is a powerful tool to help you reach your retirement dreams. As a supplement to other retirement benefits offered through the City's retirement systems or savings that you may have, this voluntary Plan allows you to save and invest extra money for retirement ... tax deferred!

Not only will you defer taxes immediately, you may build extra savings consistently and automatically, select from a variety of investment options, and learn more about saving and investing for your financial future.

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

### Getting Started

#### What is a 457 deferred compensation plan?

A governmental 457(b) deferred compensation plan (457 plan<sup>1</sup>) is a retirement savings plan that allows 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 Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken at retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions are subject to ordinary income tax.

#### Why should I participate in the Plan?

You may want to participate if you are interested in saving and investing additional money for retirement and/or reducing the amount of current state and federal income tax you pay each year. Your City of Baltimore 457 Deferred Compensation Plan can be an excellent tool to help make your future more secure. You may also qualify for a federal income tax credit by participating in this Plan. For more information about this tax credit, please contact your local Great-West Retirement Services® (Great-West) representative by calling **1-877-CBDCP4U** (223-2748).<sup>2</sup>

#### Is there any reason why I should not participate in the Plan?

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or expect to be in a higher tax bracket during your retirement.

#### Who is eligible to enroll?

Permanent full-time and permanent part-time employees, including elected or appointed officials of the City, are eligible to enroll. Eligible employees may enroll at any time.

#### How do I enroll?

Go to **www.baltimoredeferredcomp.com** and select the "About Your Plan" tab, then "Enroll Now" to enroll online. You will need to indicate the amount you wish to contribute, your investment option selection(s), and your beneficiary designation(s). If you require assistance, please contact your local Great-West office at **1-877-CBDCP4U** (223-2748). The local office is located at 201 East Baltimore Street, Suite 120.

#### What are the contribution limits?

In 2013, the maximum contribution amount is 100% of your gross income (for federal income tax purposes) or \$17,500, whichever is less. It may be indexed in \$500 increments after 2013.

Participants in the Deferred Compensation Plan may choose one of two different opportunities to catch up and contribute more during the final years of their career. "Standard Catch-Up" allows participants in the three calendar years prior to retirement to contribute more to the Plan (up to double the annual contribution limit—\$35,000 in 2013). The additional amount that you may be able to contribute under the Standard Catch-Up option will depend upon the amounts that you were able to contribute in previous years but did not.

Also, participants turning age 50 or older in 2013 may contribute an additional \$5,500. Please note that the Standard Catch-Up and Age 50+ Catch-Up cannot both be utilized in the same year.

### What are my investment options?

A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund data sheets. Investment option information is also available through the website at [www.baltimoredeferredcomp.com](http://www.baltimoredeferredcomp.com) and KeyTalk®, toll free, at **1-877-CBDCP4U** (223-2748). The website and KeyTalk are available to you 24 hours a day, seven days a week.<sup>2</sup>

## Managing Your Account

### How do I keep track of my account?

Great-West will mail you a quarterly account statement showing your account balance and activity. You can also check your account balance and move money among investment options on the website at [www.baltimoredeferredcomp.com](http://www.baltimoredeferredcomp.com) or by calling KeyTalk at **1-877-CBDCP4U** (223-2748).<sup>2</sup>

### How do I make investment option 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.<sup>2</sup> 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.

### How do I make contribution changes?

You can increase, decrease or stop your contribution at any time via the website or KeyTalk. You will need your Username and PIN. Any changes shall become effective beginning with the first pay period of the subsequent month.

## Rollovers

### May I roll over my account from my former employer's plan?

Yes, but only approved balances from a 401(a), 401(k), 403(b) or an eligible governmental 457(b) plan can be rolled over. Please check with your Great-West representative regarding any applicable fees on the rollover account.

### May I roll over my account if I leave employment with my current employer?

If you sever employment with the City of Baltimore, you may roll over your account balance to another 401(a), 401(k) 403(b) or an eligible governmental 457(b) plan if your new employer's plan accepts such rollovers.

You have the option to keep your money in the Plan. Please keep in mind that if you roll over your 457 Plan balance to a 401(a), 401(k), or 403(b) plan, distributions taken before age 59½ may be subject to a 10% early withdrawal federal tax penalty. The 10% early withdrawal penalty does not apply to 457 plan withdrawals. Please contact your Great-West representative for more information.

## Vesting

### When am I vested in the Plan?

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

## Distributions

### When can I receive a distribution from my account?

Qualifying distribution events are as follows:

- Retirement
- Permanent disability
- Unforeseeable emergency (as defined by the Internal Revenue Code)
- Severance of employment
- Attainment of age 70½ (after severance of employment)
- Death (upon which your beneficiary receives your benefits)
- Transfer to purchase service credit

Each distribution is subject to ordinary income tax except for an in-service transfer to purchase service credit.



## What are my distribution options?

1. Leave the value of your account in the Plan until you are ready to receive a distribution.
2. Depending on the terms of your Plan, you may be able to receive payment in the following form:
  - Periodic payments
  - Fixed annuity payments
  - Partial lump sum
  - A lump sum
3. Roll over your account balance to a 401(a), 401(k), 403(b) or an eligible governmental 457(b) plan or to an IRA.

## What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact a Great-West representative to request a distribution.

## Fees

### Are there any recordkeeping or administrative fees to participate in the Plan?

There are no recordkeeping or administrative fees for the Plan. Keep in mind that you may be subject to fees with other investment providers.

### Are there any fees for the investment options?

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 individual securities in the underlying investment options and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges. Please reference your Investment Options at a Glance, fund prospectuses, and fund disclosure documents for detailed fee information.

The Great-West SecureFoundation® Guarantee Benefit Fee is in addition to the fees and expenses of the Plan. For more important information regarding Great-West SecureFoundation, including product specifics and fees, refer to the Great-West SecureFoundation® Summary Disclosure Statement attached to the Enrollment Form and also located on your Plan's website.

### Are there any distribution fees?

For the Plan, there are no distribution fees.

## Taxes

### How does my participation in the Plan affect my taxes?

Because your contributions are taken out of your paycheck before taxes are calculated, you pay less in current income tax. You do not report any current earnings or losses on your account on your current income tax return, either. Your account is tax-deferred until you withdraw money, usually at retirement.

Distributions from the Plan are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies).

## Investment Assistance

### Can I get help with my investment decisions?

Employees of Great-West cannot give investment advice. There are financial calculators and tools on the website that can help you determine which investment options might be best for you if you would like to construct your Plan account yourself.

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

Your Plan offers access to three different levels of investment advisory tools and services through Reality Investing® Advisory Services (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 retirement account on your own, you can use online investment guidance and advice tools.

These services provide a retirement strategy based on your investment goals, time horizon, and tolerance for risk.

There is no guarantee that participation in Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

For more detailed information, please visit your Plan's website at [www.baltimoredeferredcomp.com](http://www.baltimoredeferredcomp.com) or call KeyTalk at **1-877-CBDCP4U** (223-2748) and ask to speak to an AAG adviser representative.

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

While there is no cost to use the Online Investment Guidance tool, there is a \$25 annual fee, assessed to your account at \$6.25 quarterly, for the Online Investment Advice tool. If you choose to have AAG manage your account for you, the annual Managed Account fee, assessed quarterly to your account, will be based on your account balance, as follows:

Participant Account Balance	Annual Managed Account Fee
Less than \$100,000	0.60%
Next \$150,000	0.50%
Next \$150,000	0.40%
Greater than \$400,000	0.30%

For example, if your account balance is \$50,000, the maximum annual fee will be 0.60% of the account balance (\$300). If your account balance is \$500,000, the first \$100,000 will be subject to a maximum annual fee of 0.60% (\$600); the next \$150,000 will be subject to a maximum annual fee of 0.50% (\$750); the next \$150,000 will be subject to a maximum annual fee of 0.40% (\$600); and any amounts over \$400,000 will be subject to a maximum annual fee of 0.30% (\$300). The total annual fee for an account valued at \$500,000 would be \$2,250.

## How do I get more information?

Visit the website at [www.baltimoredeferredcomp.com](http://www.baltimoredeferredcomp.com) or call KeyTalk, toll free, at **1-877-CBDCP4U** (223-2748) for more information. The website provides information regarding your Plan and financial education, as well as financial calculators and other tools to help you manage your account.

You may also contact your local Great-West office at **1-877-CBDCP4U** (223-2748). The local office is located at 201 East Baltimore Street, Suite 120.



CITY OF BALTIMORE  
**DEFERRED COMPENSATION PLAN**  
MAKE YOUR MONEY WORK FOR YOU

<sup>1</sup> All references to the 457 Plan are to a governmental 457(b) plan.

<sup>2</sup> Access to KeyTalk and the 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 (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.

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

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