



Features and Highlights

Fiscal Year 2017-2018

Mormon Rocks, San Gabriel Mountains

The County of Los Angeles Horizons Plan is a powerful tool that may help you reach your retirement savings goals. As a supplement to other County retirement/pension benefits that you may have, this voluntary Defined Contribution Plan allows you to:

- Build additional retirement savings beyond your Los Angeles County Employees Retirement Association (LACERA) pension.
- Contribute to and potentially earn in tax-deferred accounts.
- Earn a dollar-for-dollar County match of up to 4% of your regular earnings, based on your contribution.

Read these highlights to learn more about the features and benefits of your Horizons Plan.

If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

Eligibility and Contributions

Who is eligible to enroll in the Horizons Plan?

You can enroll in the Horizons Plan if you are a full-time, permanent employee of the County of Los Angeles.

How do I enroll in the Plan?

After reading the Enrollment Planning Guide, enrollment is quick and easy—either online at www.countyla.com or by completing a Participant Enrollment Form.

Follow these three simple steps:

Step 1: Decide what percentage of your pay you wish to contribute;

Step 2: Decide how you want to invest your contributions; and

Step 3: Designate your beneficiary(ies).

It's that simple. If you complete the paper enrollment forms, return them to Empower Retirement via fax or mail at the number/address indicated on the form.

If you've received a Personal Identification Number¹ (PIN), you can also enroll online at www.countyla.com. You can order a PIN by calling the County of Los Angeles Service Center at (800) 947-0845.

When do I become a Horizons participant?

Once your enrollment form is received, your participation will start on the first day of the following pay period (called your "entry date"). Your deferral will be deducted from your first paycheck issued in the pay period that follows your entry date.

For example, if the enrollment form is received by Empower Retirement and processed between May 16-31, the entry date will be June 1. The first contribution will be deducted from June 1-15 earnings, which are paid on June 30 and reflected on the June 30th paycheck.

If, however, the enrollment form is received and processed between June 1-15, the entry date will be June 16. The first contribution will be deducted from June 16-30 earnings, which are paid on July 15 and reflected on the July 15th paycheck.

How much may I contribute to the Plan?

Your personal before-tax contribution limit, effective January 1 of each year, is either the amount listed in the table below or 100% of eligible earnings as defined by the Plan, whichever is less. This amount is set by federal tax law.

2018 Contribution Limits	
Standard Contribution Limit	\$18,500 ²
With Age 50+ Catch-Up	\$24,500
With Special Three-Year Catch-Up	\$37,000

- You may contribute from 1% up to 100% of your eligible earnings in any pay period.³
- All deductions must be made as a percentage of your eligible earnings and rounded up to the highest tenth of a percentage (e.g., 8.6% but not 8.54%).
- The annual contribution limit may be indexed for inflation in future years. According to IRS regulations, the increases can only take place in \$500 increments and may not occur every year.

Age 50+ Catch-Up Provision

If you are age 50 or older during the 2018 calendar year, you may be eligible to contribute an additional \$6,000 above the standard contribution limit for a maximum contribution of \$24,500.

Special Three-Year Catch-Up Provision

If you are within three years of normal retirement age (as defined by the Plan), you may be eligible to contribute up to twice the standard contribution limit (currently up to \$37,000) under tax law. The Special Three-Year Catch-Up contribution option may be used only once in the County's Defined Contribution Plan to increase contributions in the three consecutive years prior to the year you reach normal retirement age. The amount that you may be eligible to contribute under the Special Three-Year Catch-Up option will depend upon the amounts you under-contributed in previous years.

Although you may be eligible for both catch-up options, you may only participate in one option per calendar year.

Military Leave Make-Up Contributions

Under federal law, the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) gives you certain rights if you voluntarily or involuntarily take a military leave of absence from County employment to serve in any of the United States military services, including the Coast Guard, for active duty training or deployment.

If you are eligible to participate in the Horizons Plan and you take a military leave of absence, upon your return to County employment you may elect to make up all or a portion of the Horizons contributions that were missed during your military leave of absence. If you decide to make up your missed contributions, they must be made within a period of time that begins on the date of reemployment and extends for three times the period of military service, but not more than five years. The County will make matching contributions pursuant to the terms of the Plan Document. To find out how much you can make up, or if you want to enroll in military make-up contributions, contact your local Glendale office at (800) 382-8924.

Termination Pay Contribution Option

Many participants find they will receive a significant amount of Termination Pay (i.e., vacation payout, sick leave payout, non-elective leave* and holiday pay) on their final paycheck. You may want to consider "boosting" your retirement savings by contributing a portion of your Termination Pay to your Horizons Plan. Your contribution can be 1% to 100% of your Termination Pay, up to the applicable contribution limit. Any excess Termination Pay amounts will be paid to you in a check from the County. You must complete a Termination Pay Contribution Form to contribute a portion of your Termination Pay to your Horizons Plan. Contact Empower Retirement to get started.

What is the County matching contribution?

To support your efforts to save for retirement, the County will match your contributions dollar for dollar up to 4% of your compensation (code PP099 on your paystub) as defined by the Plan. While you are not required to contribute 4% to participate in the Plan, you must contribute an amount at least equal to 4% of your compensation to receive the full County match.

What is vesting?

Vesting refers to the percentage of your account balance that you are entitled to receive at the time you withdraw your money. You are always fully and immediately vested in both your Horizons contributions and the County's matching contributions.

Do I have to file my contributions with the IRS?

Your contributions to the Horizons Plan are made with before-tax dollars. Your contributions are not included in the gross wages category on your W-2 form, but they are reflected as a before-tax deduction on your bimonthly paycheck statements. You may have to disclose your cumulative before-tax deductions when you file your IRS income tax returns. However, contributions (both deferrals and match) to Horizons are generally subject to Medicare taxes.

Investment and Distribution Options

What are the Plan's investment option choices?

You can choose from 20 core investment options, which include 11 Target Date Funds and nine Asset Class Funds. A self-directed brokerage option is also available for an additional fee.

The Investment Overview Brochure, Fund Data Sheets and other investment option information can be viewed online at **www.countyla.com**, or you can call the County of Los Angeles Service Center at (800) 947-0845. Both options are available to you 24 hours a day, seven days a week.⁴

For information about investment fees and expenses, you may obtain applicable disclosure documents from your Empower Retirement registered representative. For prospectuses related to investments in your self-directed brokerage account (SDBA), contact Charles Schwab at (888) 393-PCRA (7272). Read them carefully before investing.

How do I keep track of my account?

A quarterly account statement showing your account balance and activity is available online at **www.countyla.com**. You can also check your account balance, change your contribution percentage, and move assets among investment options on the website at **www.countyla.com** or by calling the County of Los Angeles Service Center at (800) 947-0845.⁴ If you enroll in the Charles Schwab SDBA, you will receive separate statements from Charles Schwab that detail the investment holdings, activity, fees and charges within your SDBA.

How do I make changes to my Plan?

Use your username and password to access the website at **www.countyla.com**, or call the County of Los Angeles Service Center at (800) 947-0845.^{1,4}

Changes You Can Make on the Website

- Move all or a portion of your existing balances among investment options (subject to Plan rules/fees).⁴
- Change how future contributions are invested.
- Change your contribution percentage.
- Set up custom transfers and automatic account rebalancing.⁵

How may I take withdrawals from the Plan?

The money you have invested in the Plan, as well as your County matching contributions, can be withdrawn upon the following events:

- Retirement
- Death of participant
- Bona fide separation of employment from the County (in other words, there is no prearrangement or understanding that you will be rehired by the County)

You generally may NOT take a distribution while you are still employed unless you experience an unforeseeable emergency (or when you have an account balance no greater than \$5,000 and have not contributed in at least two years). However, you may be eligible to access your money via a loan or transfer your money to LACERA to purchase service credits.

Loans

As an active participant, you may take out a loan against the vested portion of your account if your vested account balance is \$2,500 or more. The minimum loan amount is \$2,000. If your vested account balance is less than \$20,000, you may take 80% of that balance or \$10,000, whichever is less. If your balance is \$20,000 or more, you may take 50% of your vested account balance or \$50,000, whichever is less.

There are two types of loans available—general purpose loans and real estate/home purchase loans (for the purchase of your principal residence only). General purpose loans must be repaid within five years. Real estate/home purchase loans must be repaid within 15 years. Loans are repaid through payroll deductions. You may have only two loans outstanding at any time, with a maximum amount of \$50,000 in outstanding balances for the last 12 months from all County-sponsored defined contribution plans combined.

You also have the option to pay down your principal balance by using the Principal Reduction Pre-Payment option.

In-Service Withdrawals and Transfers

You may be eligible for a transfer from Horizons to a defined benefit plan, such as LACERA, to purchase service credit or redeposit funds. Contact Empower Retirement at (800) 947-0845 to determine eligibility for such a transfer. Contact LACERA at (800) 786-6464 to determine eligibility for purchasing service credit.

Unforeseeable Emergency

You may be eligible for a withdrawal due to an unforeseeable emergency resulting in severe financial hardship, as defined by the IRS, that cannot be satisfied by any other source, subject to Plan approval.

What are my payout options?

You have a variety of payment methods from which to choose. One is sure to meet your needs. If your account balance is \$1,000 or less when you leave County service, you must take a lump-sum distribution. If you do not provide alternate distribution directions, your account balance may be automatically sent to you. If your account balance is more than \$1,000, you may leave your money in the Plan. If your account balance (not counting any rolled-over amounts) does not exceed \$5,000, you may elect a lump-sum distribution to be distributed on a date of your choice (subject to IRS minimum required distribution rules). If your account balance is more than \$5,000 (not counting any rolled-over amounts), you may leave your money in the Plan or elect to have your distribution from the Plan paid to you in one or a combination of the following payment methods (subject to IRS minimum required distribution rules):

- Periodic distributions made directly from your Horizons Plan account, not extending for more than 20 years.
- A partial or full lump-sum distribution.
- A rollover to your new employer's plan (if allowed), to a Traditional IRA account, or a conversion to a Roth IRA account. Rollover/conversion transactions are reported to the IRS and may be taxable to you. Please consult your tax advisor. You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitations of investment options.
- The use of all or part of your account balance to purchase an annuity contract from an insurance company.



For more details about the payment options available to you, please contact the County of Los Angeles Service Center at **(800) 947-0845**.

Costs and Disclosures

What are the participant costs?

The County of Los Angeles and Empower Retirement provide a wide range of administrative services for Plan participants. Each participant shares in the costs of these services through the fees discussed below.

These fees are reviewed annually by the Plan Administrative Committee and are deducted monthly from each participant's account. Fees will be deducted on or about the 10th of each month if the 10th is a business day. Otherwise, fees will be deducted on the first business day following the 10th of the month.

Plan Administrative Costs

The monthly Plan administrative fee for recordkeeping, marketing and other services provided by Empower is \$2.87.

County Administrative Costs

County administrative costs reflect direct County expenses for administering the Horizons Plan and include contractor and County department costs. The monthly County administrative fee for fiscal year 2017-2018 is \$2.38. The total annual Plan and County administrative fees charged to you for fiscal year 2017-2018 will not exceed \$63.00.

The Plan and County administration fees are deducted from fund balances in this order:

1. Horizons Stable Income Fund	11. Horizons 2010 Target Date Fund ^{5,11}
2. Bank Depository Fund ⁷	12. Horizons 2015 Target Date Fund ^{5,11}
3. Horizons Inflation Protection Fund	13. Horizons 2020 Target Date Fund ^{5,11}
4. Horizons Bond Fund ⁸	14. Horizons 2025 Target Date Fund ^{5,11}
5. Horizons Balanced Fund ⁵	15. Horizons 2030 Target Date Fund ^{5,11}
6. Horizons Large Cap Equity Fund	16. Horizons 2035 Target Date Fund ^{5,11}
7. Horizons Mid Cap Equity Fund ⁹	17. Horizons 2040 Target Date Fund ^{5,11}
8. Horizons Small Cap Equity Fund ⁹	18. Horizons 2045 Target Date Fund ^{5,11}
9. Horizons Non-U.S. Equity Fund ¹⁰	19. Horizons 2050 Target Date Fund ^{5,11}
10. Horizons Retirement Income Fund ^{5,11}	20. Horizons 2055 Target Date Fund ^{5,11}

Fund Management Costs⁶

Fund management costs (also known as fund operating expenses, pay for trading and other management expenses) vary by investment option. These costs are deducted from the fund assets and reflected in the daily price, also known as net asset value. You can find the fund operating expenses in the Fund Data Sheets or in the fund performance report on the website.

The Plan Administrative Committee regularly monitors the investment options available to you and negotiates with the underlying fund managers to provide you with competitive management fees for your investment options. Whenever possible, a separate account or institutional fund is established with the fund manager, which provides a significant fee reduction compared to a retail mutual fund. Occasionally, certain mutual funds issue a "fund reallowance" or rebate the Plan for savings on their administrative costs. These credits are reflected in the daily net asset value of an impacted Asset Class Fund or Target Date Fund.

Self-Directed Brokerage Account Fee

In addition to the Plan Administrative Costs previously described, there is a \$50 annual fee to participate in the SDBA. This fee is deducted from your core investment options pro rata on a quarterly basis. Transactional fees will also apply.

Loan Initiation Cost

At the time of the request, a one-time \$75 loan initiation fee for each loan processed will be deducted from the proceeds of the loan.

Disclosures

- * MegaFlex participants: Instead of traditional vacation and sick leave days, MegaFlex participants earn Non-Elective leave (NEL) days. Unused accrued NEL may be contributed to your <Horizons Plan/Savings> Plan. Elective Leave days that are purchased are not considered, for the purpose of your termination pay, contribution election.
- 1 The account owner is responsible for keeping the assigned PIN/password confidential. Please contact Empower Retirement immediately if you suspect any unauthorized use.
- 2 This limit includes your personal contributions and the County's matching contributions.
- 3 There are restrictions if you attempt to contribute 100% of your eligible earnings in any pay period. Contributions to the LACERA or Judges Retirement System and your flexible benefit program are taken out before Horizons Plan contributions are made. Savings Plan participants should also be aware that Savings Plan contributions take precedence over Horizons Plan contributions—you should make an allowance in your Savings Plan contribution for the dollar amount you plan to contribute to the Horizons Plan.
- 4 Transfer requests received on business days prior to close of the New York Stock Exchange (1:00 p.m. Pacific 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.
- 5 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.
- 6 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.
- 7 Assets invested in the Bank Depository Fund are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.
- 8 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.
- 9 Equity securities of small and mid-size companies may be more volatile than securities of larger, more established companies.
- 10 Foreign investments involve special risks, including currency fluctuations, taxation differences and political developments.
- 11 The date in a Target Date Fund's name represents an approximate date when an investor is expected to retire and/or begins withdrawing money. The principal value of the funds is not guaranteed at any time, including on the target date.

Investment options and their underlying funds have been selected by the Plan Administrative Committee. Core securities are offered through GWFS Equities, Inc., Member FINRA/SIPC.

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. Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: NY, NY, and their subsidiaries and affiliates. Core investment options offered through separately managed accounts. 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. Other than those owned by the County of Los Angeles, the trademarks, logos, service marks and design elements used are owned by GWL&A. Representatives of Empower Retirement do not offer or provide investment, fiduciary, financial, legal or tax advice or act in a fiduciary capacity for any client unless explicitly described in writing. Please consult with your investment advisor, attorney and/or tax advisor as needed. ©2017 Great-West Life & Annuity Insurance Company. All rights reserved. 98996-01-BRO-9060-1710 AM262396-0917