Features and Highlights

FISCAL YEAR 2017-2018

The County of Los Angeles 401(k) Savings 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 save and invest money for retirement … tax deferred!

While you defer taxes immediately, you can also save and invest consistently and automatically through semi-monthly payroll deductions and choose from a variety of investment options.

Read these highlights to learn more about the 401(k) Savings Plan and how simple it is to enroll.

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

If you have any questions, visit the website at **www.countyla.com** or call the County of Los Angeles Service Center at **(800) 947-0845**.

Downtown Los Angeles

Eligibility and Contributions

Who is eligible to enroll in the 401(k) Savings Plan?

You can enroll in the 401(k) Savings Plan if you are:

- A full-time, permanent employee of the County of Los Angeles
- Not in an Excluded Bargaining Unit
- In a job class that the Board of Supervisors has designated as eligible

How do I enroll in the Plan?

After reading the Enrollment Planning Guide, you can enroll quickly and easily—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 each form. If you've received a Personal Identification Number[1] (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.[2]

How much may I contribute to the Plan?

Your personal before-tax contribution limit, effective for each calendar year, is either the amount listed in Table A (or Table B if you selected the low limit) or 100% of eligible earnings as defined by the Plan, whichever is less.

- You may contribute from 1% to 100% of your eligible earnings in any one month.[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 Internal Revenue Code rules, the increases can only take place in $500 increments and may not occur every year.

The annual limits listed in Table A will apply to you automatically unless you previously elected or deemed to have elected the "low" contribution limit option listed in Table B. If you made contributions to both the 401(k) Savings Plan and the Horizons Plan, the contribution limit option (High or Low Limit) that you previously elected will remain in effect. If you decide to change your contribution limit option, you must submit a completed Contribution Limit Option Form to Empower Retirement. You can obtain a form by calling the County of Los Angeles Service Center at (800) 947-0845.

TABLE A (HIGH LIMIT)		
Year	Contribution Limit	Contribution Limit if Age 50 or Over
2018	$18,500*	$24,500
TABLE B (LOW LIMIT)		
Year	Contribution Limit	Contribution Limit if Age 50 or Over
2018	$8,500**	$8,500**

* This limit consists of your personal contributions to the 401(k) Savings Plan only.
** This limit applies collectively to your personal contributions to the 401(k) Savings Plan, your personal contributions to the Horizons Plan and County-matching contributions to the Horizons Plan.

Contributions, Investments and Distribution Options

Your payroll deductions become effective two pay periods following the date you enroll online or the date Empower Retirement receives your completed Participant Enrollment Form or Contribution Limit Option Form. Because your contributions to the Savings Plan are made with before-income tax dollars, they are not included in the gross wages category on your W-2 Form; however, they will be reflected as a before-tax deduction on your W-2 Form and on your semimonthly paychecks. However, elective contributions to the Savings Plan generally are subject to Medicare taxes.

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 401(k) Savings 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 401(k) Savings contributions that were missed during your military leave of absence. If you decide to make up your missed contributions, you must do so within a period of time, which is 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[4] and holiday pay) on their final paycheck. It's an exceptional opportunity to "boost" your retirement savings by contributing a portion of your Termination Pay to your 401(k) Savings Plan. Your contribution can be 1% to 100% of your Termination Pay up to the applicable contribution limit. Any excess amount 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 401(k) Savings Plan. Contact Empower Retirement to get started.

Are there limits for highly compensated employees?

IRS regulations limit the amount of annual compensation that may be used for calculating contributions to the 401(k) Savings Plan. For 2018, the limit is $275,000. When your compensation reaches this limit, contributions to the Plan must cease for the remainder of the calendar year. Contributions can resume in the new year. If you would like to contribute as much as possible to the Plan before contributions have to cease, please contact an Empower Retirement representative at (800) 382-8924. A representative can provide you with estimates of contribution scenarios for your review and consideration.

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 "compensation" as defined by the Plan. To receive the entire match, you must contribute a dollar amount equivalent to at least 4% of your compensation.

What is the vesting schedule?

Vesting refers to the percentage of your account balance that you are entitled to receive at the time you withdraw your money. The money you personally contribute to the Plan is always 100% vested. The matching contributions made by the County are vested as shown in Table C below.

TABLE C

Years of Service in the Plan	% of Employer Contributions Vested
1	20%
2	40%
3	60%
4	80%
5	100%

In addition to the above vesting according to Years of Service, your County-matching contributions will become fully vested (regardless of Years of Service) if one of the following events occurs: service retirement with LACERA, disability resulting in separation of service and/or death. Currently, the Plan Administrative Committee invests the unvested portion of the matching contributions in the Stable Value Fund. You direct the investment of vested matching contributions.

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 account (SDBA) option is also available for an additional fee. The SDBA option is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDBA option.

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 24 hours a day, seven days a week.[2]

For information about investment fees and expenses, you may obtain applicable disclosure documents from your registered Empower Retirement 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.[2] If you enroll in the self-directed brokerage account (SDBA) option through Charles Schwab's Personal Choice Retirement Account®, you will receive separate statements from Charles Schwab that detail the investment holdings, activity, fees and charges within your SDBA.

How do I change my investment options?

Use your username and PIN[1] to access either the website at **www.countyla.com** or the County of Los Angeles Service Center at (800) 947-0845.[2]

Changes you can make on the website:

- Move all or a portion of your existing balances among investment options (subject to Plan rules/fees).[1]
- 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 vested County 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 may also be eligible to access your money via a loan, in-service withdrawal or transfer, or hardship withdrawal. Any withdrawals and distributions from your account (except for loans) are subject to ordinary income taxes. If you take a withdrawal or distribution before reaching age 59½, you may be assessed an additional 10% federal income tax penalty.

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 it 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.

Hardship Withdrawals

If you are experiencing severe financial difficulties and do not qualify for a Plan loan, you may apply for a hardship withdrawal. There are certain restrictions on hardship withdrawals under Internal Revenue Code rules. You may take a hardship withdrawal only if you have an immediate and severe financial need caused by:

- Medical expenses for you, your spouse or your dependent(s) that were not reimbursed
- Payment of tuition for post-secondary education for yourself, your spouse or your dependent(s)
- The purchase or construction of your principal residence
- The need to prevent imminent foreclosure or eviction from your principal residence
- Funeral expenses for your spouse, parent, child or dependent
- Damage repair to primary residence in case of qualifying casualty deduction

Hardship withdrawals will not be permitted for any other reason. The Plan cannot distribute funds from your Savings Plan account if the hardship can be relieved through insurance compensation, liquidation of your other assets or the termination of your paycheck deferrals.

In-Service Withdrawals

Provided you meet the requirements outlined below, you may be eligible for an in-service withdrawal. You may only take two in-service withdrawals per calendar year.

If you have been a participant for 10 years, you may withdraw all or part of your vested County-matching contributions. If you have withdrawn all of your matching contributions and have reached age 59½, you may withdraw all or part of the money you have contributed to your account. **A 10% federal tax penalty may apply to withdrawals made prior to you reaching age 59½.**

All distributions from a qualified retirement plan that are eligible for rollover are subject to a mandatory 20% federal income tax withholding. If you roll your full account balance directly into an Individual Retirement Account (IRA) or other qualified account that accepts such rollovers, no federal income tax will be withheld.

In-Service Transfers

You may make in-service transfers from the Savings Plan to a defined benefit plan, such as LACERA, to purchase service credit or redeposit funds. This type of transfer is exempt from the In-Service Withdrawal requirements previously listed.

For more information on loans, hardships, in-service withdrawals and in-service transfers, please contact Empower Retirement at (800) 947-0845.[2]

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 (determined without counting any rollover account) 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 greater than $5,000 (not counting any rolled-over amounts), you may elect to have your distribution from the Plan paid to you in one or a combination of the following payment methods:

- Periodic distributions made directly from your Savings Plan account, not extending for more than 15 years
- A partial or full lump-sum distribution
- A rollover to your new employer's plan (if allowed) or to a traditional IRA, or a conversion to a Roth IRA. (Rollovers/conversions are reported to the IRS and may be taxable to you. Please consult your tax advisor.)
- Purchase of an annuity contract from an insurance company

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.

For more details about the payout 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, 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 Retirement is $3.22.

County Administrative Costs

County administrative costs reflect direct County expenses for administering the Savings Plan and include contractor and County department costs. The current monthly County administrative fee is $4.78.

The total annual Plan and County administrative fees charged to you for Fiscal Year 2017-2018 will not exceed $96.00.

THE PLAN AND COUNTY ADMINISTRATIVE FEES ARE DEDUCTED FROM FUND BALANCES IN THIS ORDER:
Savings Stable Value Fund
Bank Depository Fund[6]
Savings Inflation Protection Fund
Savings Bond Fund[7]
Savings Balanced Fund[8]
Savings Large Cap Equity Fund
Savings Mid Cap Equity Fund[9]
Savings Small Cap Equity Fund[9]
Savings Non-U.S. Equity Fund[10]
Savings Retirement Income Fund[8]
Savings 2010 Target Date Fund[8,11]
Savings 2015 Target Date Fund[8,11]
Savings 2020 Target Date Fund[8,11]
Savings 2025 Target Date Fund[8,11]
Savings 2030 Target Date Fund[8,11]
Savings 2035 Target Date Fund[8,11]
Savings 2040 Target Date Fund[8,11]
Savings 2045 Target Date Fund[8,11]
Savings 2050 Target Date Fund[8,11]
Savings 2055 Target Date Fund[8,11]

Fund Management Costs[12]

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

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; this 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 Cost 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. For more information, visit the Charles Schwab website at **www.schwab.com**.[13]

Loan Initiation Cost

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

Disclosures

Please consider the investment objectives, risks, fees and expenses carefully before investing. The prospectus contains this and other information about the investment options offered. Depending on the investment options offered in your plan, your registered representative can provide you with prospectuses for any mutual funds, any applicable annuity contracts and the annuity's underlying funds and/or disclosure documents for investment options exempt from SEC registration. Please read them carefully before investing.

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

2 Transfer requests made via the website or Service Center 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.

3 There are restrictions if you attempt to defer 100% of your eligible earnings in any one pay period. Contributions to the LACERA or Judges Retirement System and your flexible benefit program are taken out before Savings Plan deferrals are made. You should also be aware that Savings Plan deferrals take precedence over Horizons Plan deferrals—you should make an allowance in your Savings Plan deferral for the dollar amount you plan to defer into the Horizons Plan.

4 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.

5 Rebalancing does not ensure a profit and does not protect against loss in declining markets.

6 Assets invested in the Bank Depository Fund are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

7 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.

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 Equity securities of small and medium-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 represents an approximate year when an investor would expect to retire. The principal value of the funds is not guaranteed at any time, including on the target date.

12 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.

13 Empower Retirement is not responsible for, nor does it endorse, the content contained in, the additional websites provided. These websites are for general education and information only and are provided as a benefit to the users of the sites.

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. 98996-03-BRO-9062-1710 AM 262404-0917