

NJ TRANSIT Management 401(k)

Employees Savings & Protection Plan 98973-01

Read these highlights to learn more about your Plan. If there are any discrepancies between this document and the NJ TRANSIT Plan Document, the Plan Document will govern.

Am I eligible to participate in the 401(k) Plan?

All full-time, non-agreement management employees of NJ TRANSIT are eligible to participate in the 401(k) Plan. You are 100% vested in the Plan immediately for your contributions and after three years of service for the employer match.

What is the employer match for the 401(k) Plan?

NJ TRANSIT will match 50 cents for every dollar you contribute up to the first 6% of your contribution. For Public Employees' Retirement System (PERS) employees, the employer contribution is 3%.

How do I enroll?

1. Personal Identification Numbers¹ (PINs) for online enrollment are sent to new employees. Visit www.25GONJT.com.

- Pick your deferral and allocation amounts.
- Complete the beneficiary form and send it in, or add your beneficiary information on your Plan's website after you log in to your account.

If you would like to request enrollment forms to complete via mail, call the voice response system toll free at (800) 25-GO-NJT (800-254-6658). You can also obtain a PIN through the voice response system.

2. Call the voice response system at **(800) 25-GO-NJT**.

3. Obtain an enrollment kit from the NJ TRANSIT Pension Department office in Maplewood.

Your contributions will be automatically deducted from your paycheck as soon as all administrative processing is complete.

How do I keep track of my account?

You will receive a quarterly account statement at your address on file showing your account balance and activity for the quarter. Your statement will include the following features: account balance at a glance, graphics of asset allocation, an account summary by contribution source, and more. It's quick and easy to check your account balance and move money among investment options on the website or by calling **(800) 25-GO-NJT**.² You will receive a separate statement from TD Ameritrade if you enroll in the self-directed brokerage (SDB) account that will detail the investment holdings and activity within your SDB account, including any fees and charges associated with the SDB.

What is the contribution limit for the 401(k) Plan?

You may contribute between 2% and 50% of your salary up to a maximum of 100% of includible compensation or \$18,000, whichever is less in 2017. Participants in the 401(k) Plan turning age 50 or older in 2017 may contribute an additional \$6,000.

Can I increase or decrease my contribution amount to my 401(k) Plan?

You can increase, decrease or stop your deferral amount by visiting www.25GONJT.com or by calling **(800) 25-GO-NJT**.²

Contribution amount changes are allowed on a weekly basis for 401(k) Plan participants. All changes will be effective within one to two pay periods following the change.

How do I change my primary or contingent beneficiary?

You can change this on the website at www.25GONJT.com, or call the voice response system at **(800) 25-GO-NJT** to speak with a Retirement Plan Specialist.² Your beneficiary information will print on your quarterly statements. If you divorce your spouse, he/she will still be your beneficiary. You must submit a beneficiary form to remove your ex-spouse.

What do I do if I forget or lose my PIN?

You can order a new PIN at www.25GONJT.com or by calling **(800) 25-GO-NJT**.¹

Do I report any current earnings or losses on my account to the IRS?

No. Do not report any current earnings or losses from your Plan on your federal income tax forms. Any earnings on your contributions are tax-deferred until withdrawn, usually at retirement.

Transfers/Rollovers

Can I transfer or roll over my account balance if I leave employment with NJ TRANSIT?

You may roll over your 401(k) account balance to a governmental 457, 401(a), 401(k) or 403(b) plan or an Individual Retirement Account (IRA) that accepts these kinds of transfers. However, in some circumstances, rollovers from certain accounts into others may be prohibited as some types of distributions are not eligible for a rollover. There is a mandatory 20% federal income tax withholding on eligible rollover distributions that are not directly rolled over. 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.

If you leave your employer, you may find it beneficial to leave your money in the NJ TRANSIT Plans if you are eligible to do so and continue to take advantage of the low fees, diverse selection of investment options, and account management tools.

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Withdrawals

When can I withdraw the money from my account?

A withdrawal is allowed only upon your:

- Attainment of age 59½
- Retirement
- Experience of an unforeseeable emergency or hardship within the IRS guidelines (Call the voice response system for details.)
- Death (Your designated beneficiary(ies) will receive your benefits.)
- Need for a loan (See Loans section.)
- Termination of employment with NJ TRANSIT

All withdrawals are subject to ordinary income tax. Withdrawals from the 401(k) Plan prior to age 59½ may be subject to a 10% federal tax penalty. For more information, please contact an Empower Retirement representative at **(800) 25-GO-NJT**.³

What happens to my money upon my death?

If you previously selected a payment distribution method, your designated beneficiary(ies) will receive the remaining value of your account, if any, under the method you chose. If no payment distribution method was selected, your designated beneficiary(ies) will receive the remaining value of your account. Your beneficiary(ies) must contact Empower Retirement to request a distribution. If a beneficiary is not chosen, your account balance goes to your surviving spouse. If there is no spouse, the money is paid to your estate.

Where can I find more information on withdrawals and retirement?

Visit **www.25GONJT.com** for information related to making the transition into retirement. You may also contact an Empower Retirement representative at **(800) 25-GO-NJT**.³

Investment Options

What are my investment options?

Your NJ TRANSIT Plan offers a diverse array of core investment options. In addition to the core investment options, your Plan offers a self-directed brokerage (SDB) account. The SDB, offered through TD Ameritrade, allows you to select from numerous investment options

for additional fees. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments in the SDB account.

Fees

What fees do I pay to participate in the Plan? Recordkeeping and Administrative Fees

There are currently no explicit recordkeeping or administrative fees charged to participate in the Plan.

Investment Management Fees

There are investment management fees (also known as expense ratios) that vary by investment option. These fees, which are deducted by each investment option's management company (not by NJ TRANSIT or Empower Retirement) before the daily price or performance is calculated, pay for trading and other management expenses. You can find your Plan's collective trust investment option expense ratios on the website or in your Plan's performance reports. Funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held for less than the period stated in the fund's prospectus. Asset allocation funds may be subject to a fund operating expense at the fund level, as well as prorated fund operating expenses of each underlying fund in which they invest. For more information on your mutual fund options, please refer to the fund prospectus.

Loans

Can I take a loan from my Plan account?

Yes; your 401(k) Plan allows you to take two loans up to the LESSER of 1) 50% of your total vested account balance OR 2) \$50,000, reduced by the amount that your highest outstanding loan balance in the last 12 months exceeds your current total loan balance. You must have a minimum vested account balance of \$2,000 to borrow the minimum loan amount of \$1,000. You must have a minimum vested account balance of \$100,000 to borrow the maximum loan amount of \$50,000. There is a one-time \$50 loan origination fee that is charged for each new loan. The origination fee is deducted from the loan amount. There is no maintenance fee for loans. For more information, visit the website at **www.25GONJT.com**.

How do I get more information?

Visit the website at **www.25GONJT.com** or call **(800) 25-GO-NJT**.

Not intended to be a complete description of the Plan. For more information, please see the Plan document.

¹ The account owner is responsible for keeping the PIN/Passcode confidential. Please contact Client Services immediately if you suspect any unauthorized use.

² Transfer requests 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.

³ Representatives of Empower Retirement do not offer 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.

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

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