

NJ TRANSIT Defined Contribution Plans

Plan Features and Highlights

GET ON BOARD TO YOUR FINANCIAL FUTURE



Getting Started

What are 457, 401(k) and 401(a) defined contribution plans?

Governmental 457(b) and 401(k) plans allow eligible employees to supplement any existing retirement/pension benefits by saving and investing before-tax dollars through voluntary salary deferral. Contributions and any earnings are tax-deferred until money is withdrawn, usually during retirement when the participant is typically receiving less income and is in a lower tax bracket than while working. Withdrawals are generally subject to ordinary income tax.

A 401(a) plan is a retirement savings plan designed to allow employers to supplement their employees' existing retirement and pension benefits. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Withdrawals are generally subject to ordinary income tax.

Why should I participate in the Plans?

When working together with any other employer-sponsored retirement or pension benefits, Social Security benefits, Railroad Retirement benefits and/or any personal savings you may have, participating in the NJ TRANSIT Defined Contribution Plans can help ensure a more comfortable and secure financial future. Not only are you able to save and invest on a tax-deferred basis, but you are also offered a diverse array of investment options, financial education services and planning tools that can help you prepare for retirement. If you need to save and invest additional money for retirement and/or reduce the amount of current state and federal taxes you pay each year, participating in the Plans can be a very smart decision.

How are the Plans' assets protected?

All Plan assets are held in trust for the exclusive benefit of Plan participants and their beneficiaries. This means that Plan assets are not subject to the claims of NJ TRANSIT creditors in the event of NJ TRANSIT insolvency.

Does participation in the Plans affect the pension or reduce the NJ TRANSIT pension/retirement benefits?

The Plans are supplementary plans that do not replace or reduce your NJ TRANSIT pension/retirement benefits.¹

How do I know if I am eligible to participate in the Plans?

457—All Rail and Bus agreement employees, all full-time Police agreement employees of NJ TRANSIT, and all full- and part-time non-agreement employees are eligible to participate in the 457 Plan. You are fully vested in the Plan immediately.

401(a)—For Rail/Police full-time agreement employees, NJ TRANSIT makes a contribution to your pension Plan account as specified in your Labor Agreement. After three years of service, you are fully vested in the Plan. Upon distribution, you are entitled to the contributions made on your behalf by NJ TRANSIT. Non-agreement employees hired after June 30, 2006, also qualify for the 401(a) Plan with three-year vesting.

401(k)—All full-time, non-agreement employees of NJ TRANSIT are eligible to participate in the 401(k) Plan. You are fully vested in the Plan after three years of service.

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

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.

HOW DO I ENROLL?

It's simple. Personal Identification Numbers² (PINs) for online enrollment will be sent to new employees:

1. Visit the website at www.25GONJT.com.³

- Fill out your deferral and allocation amounts.
- Print out a beneficiary form, complete it, and mail it to the address listed on the form.

If you haven't received a PIN or would like to request enrollment forms to complete via mail, call KeyTalk® toll free at (800) 25-GO-NJT (800-254-6658).

2. Call KeyTalk at (800) 25-GO-NJT.³

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

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

¹ Because the Railroad benefit is different from the other benefit plans provided by NJ TRANSIT, withdrawal of the 401(a) funds may affect the Railroad Retirement Supplemental benefit.

² The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services® immediately if you suspect any unauthorized use.

³ 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.

Managing Your Account

How do I keep track of my account?

Great-West Retirement Services® (Great-West) will mail you a quarterly account statement at your address on file, showing your account balance and activity for the quarter. Some of the features your statement will include are your account balance at a glance, graphics of your asset allocation, an account summary by contribution source, and more. It's quick and easy to check your account balance, move money among investment options, etc., at www.25GONJT.com or by calling (800) 25-GO-NJT.³

What is the contribution limit for the 457 and 401(k) Plans?

You may contribute between 2% and 50% of your salary up to a maximum of 100% of includible compensation or \$17,500, whichever is less in 2013. If you participate in both the 457 and 401(k) Plans, you can contribute up to \$17,500 in each Plan, for a possible total of \$35,000. Participants turning age 50 and older in 2013 may contribute an additional \$5,500 to each Plan.

Participants in the 457 Plan have two different opportunities to catch up and contribute more during the final years of their career. Special Catch-Up allows participants in the three calendar years prior to normal retirement age to contribute more to the 457 Plan (up to double the annual contribution limit—\$35,000 in 2013). The additional amount that you may be able to contribute under the Special 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. You may not use the Special Catch-Up provision and Age 50+ Catch-Up provision in the same year.

Participants in the 401(k) Plan turning age 50 or older in 2013 may also contribute an additional \$5,500 in 2013.

Can I increase or decrease my contribution amount to my 457 and 401(k) Plans?

You can increase, decrease or stop your deferral amount at www.25GONJT.com or (800) 25-GO-NJT.³

Contribution amount changes are allowed once a month for 457 Plan participants. All changes made on or before the 20th of the month will be effective the following month. All changes made after the 20th of the month will be effective the second month after your change is made.

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?

Obtain the Beneficiary Form from the website at www.25GONJT.com, or call (800) 25-GO-NJT to speak with a Retirement Plan Specialist.⁴ Spousal consent is required for married participants in the 401(k) and 401(a) Plans if you select someone other than your spouse as beneficiary. Return completed forms to the address listed on the forms. Your beneficiary information will print on your quarterly statements.

If you divorce your spouse, he/she will no longer be your beneficiary. You must submit another beneficiary form if you wish to designate your former spouse as a beneficiary.

Investment Options

What are my investment options?

Your NJ TRANSIT Plans offer a diverse array of core investment options (listed on the outer flap of this brochure), including three risk-based Profile Portfolios made up of a mix of your Plans' individual investment options. In addition to the core investment options, your Plans offer a self-directed brokerage (SDB) account. The SDB, with securities offered through TD Ameritrade, allows you to select from numerous mutual funds for additional fees. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account. You will receive a separate statement from TD Ameritrade that will detail the investment holdings and activity within your TD Ameritrade account, including any fees and charges imposed in connection with the SDB.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain prospectuses for mutual funds and/or disclosure documents online at www.25GONJT.com or by calling (800) 25-GO-NJT.³ For prospectuses on the SDB, contact TD Ameritrade at (866) 766-4015. Read them carefully before investing.

How can I get help choosing my investment options?

Employees of Great-West and NJ TRANSIT cannot give investment advice. However, 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.

Your NJ TRANSIT Plans also offer access to three different levels of investment advisory tools and services called 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.

For more detailed information, please visit www.25GONJT.com. You may also call (800) 25-GO-NJT to speak to an AAG adviser representative.³

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

How do I make investment option changes?

Just use your PIN and Username to access the website at www.25GONJT.com. You may also call KeyTalk at (800) 25-GO-NJT.³

Both services allow you to move all or a portion of your existing balances among investment options (subject to Plan rules) and to change how your payroll contributions are invested.

⁴ 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.

How often can I make investment option changes?

The prospectus of a fund details its trading policies, as well as how the fund company manages the fund. The prospectus may set forth rules on how many trades a participant can make within a certain period of time and whether certain activities may be deemed to be damaging to the fund or its participants. Many funds, in their prospectuses, retain the right to determine what constitutes excessive trading or market timing and to take action to restrain such activity. For specific information about a fund's trading policies, please refer to the fund's prospectus at www.25GONJT.com.³

What do I do if I can't remember my PIN or if I lose it?

You can order a new PIN² at www.25GONJT.com or by calling (800) 25-GO-NJT.³

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 Plans on your federal income tax forms. Any earnings on your contributions are tax-deferred until withdrawn, usually during retirement.

Transfers/Rollovers

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

If you leave employment with NJ TRANSIT, you can transfer your 457 Plan account balance to another eligible governmental 457 plan if your new employer accepts this type of transfer. You may also roll over your 457, 401(k) and 401(a) account balances to a governmental 457, 401(a), 401(k) or 403(b) plan or 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. If you leave your employer, and you are eligible, you may find it beneficial to leave your money in the NJ TRANSIT Plans and continue to take advantage of the low fees, diverse selection of investment options and account management tools.

Please keep in mind that if you roll over your 457 Plan balance to a 401(k), 403(b) or 401(a) plan or an IRA, distributions taken before age 59½ may also be subject to the 10% early withdrawal federal tax penalty. Please contact your Great-West representative for more information.

Withdrawals

When can I withdraw the money from my account?

A withdrawal is only allowed upon your:

- Attainment of age 70½ for the 457 Plan
- Attainment of age 59½ for the 401(k) Plan
- Retirement

- Experience of an unforeseeable emergency or hardship within the IRS guidelines (call KeyTalk at (800) 25-GO-NJT for additional details); hardship withdrawals from the 401(a) Plan are not available
- Disability (Railroad Retirement Award Letter or Social Security Award Notice is required for 457 Plan only. Disability withdrawals are not allowed from the 401(a) Plan. Union employees must be separated from service to qualify for the disability withdrawal.)
- Death (Your designated beneficiary(ies) will receive your benefits.)
- Termination of employment with NJ TRANSIT

All withdrawals are subject to ordinary income tax. Withdrawals from the 401(a) and 401(k) Plans prior to age 59½ may be subject to a 10% federal tax penalty.⁵ The Railroad 401(a) benefit is different from the other benefit plans as the withdrawals of the 401(a) funds may affect the Railroad Retirement Supplemental benefit. For more information, please contact a Great-West representative at (800) 25-GO-NJT.³

What are my distribution options?

When you are eligible for a distribution, you may:

- Leave the value of your account in the Plan until a future date
- Receive:
 - A lump sum
 - A partial lump sum
 - Periodic payments
- Roll over or transfer to another eligible plan

How much will my distribution be taxed?

Distribution withholdings will vary depending on the type of distribution you request. Generally, a 20% mandatory federal income tax withholding will apply unless you elect a direct rollover of the entire amount or take periodic payments that last longer than 10 years. If you are living in a state with state income tax when taking distributions, state income taxes may also be withheld. By January 31 following the year(s) in which you receive a distribution, you will receive a 1099-R for reporting the distribution amount.

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 Great-West to request a distribution.

Where can I find more information related to withdrawals and retirement?

Log in to www.25GONJT.com for specific questions you may have related to making the transition into retirement.³ You may also contact a Great-West representative at (800) 25-GO-NJT.³

⁵ The 10% early withdrawal penalty does not apply to 457 plan withdrawals.

CORE INVESTMENT OPTIONS

The Greater the Risk, the Greater the Potential Return Over the Long Term

Risk vs. potential return for the funds is based on factors relative to other funds contained in the Plans' lineup.

HIGHER	Investment Option	Asset Class (Risk Category)
	<i>Oppenheimer Developing Markets Fund</i> ⁶	<i>International</i> ⁷ (Aggressive)
	<i>American Funds EuroPacific Growth R4</i> ⁶	<i>International</i> ⁷ (Aggressive)
	<i>Baron Growth Fund</i> ⁶	<i>Small Cap</i> ⁸ (Aggressive)
	<i>Allianz NFJ Small Cap Value I Fund</i> ⁶	<i>Small Cap</i> ⁸ (Aggressive)
	<i>Columbia Small Cap Index Fund Z</i> ⁶	<i>Small Cap</i> ⁸ (Aggressive)
	<i>Rainier Small/Mid Cap Equity</i> ⁶	<i>Mid-Cap Blend</i> ⁸ (Aggressive)
	<i>CRM Mid Cap Value</i> ⁶	<i>Mid-Cap Blend</i> ⁸ (Aggressive)
	<i>Goldman Sachs Mid Cap Value</i> ⁶	<i>Mid Cap</i> ⁸ (Aggressive)
	<i>Columbia Mid Cap Index Fund Z</i> ⁶	<i>Mid Cap</i> ⁸ (Mod. Aggr.)
	<i>American Funds Growth Fund of America R4</i> ⁶	<i>Large Cap</i> (Mod. Aggr.)
	<i>Aggressive Profile</i>	<i>Profile Series</i> ⁹ (Aggressive)
	<i>Wells Fargo Advantage Growth I Fund</i>	<i>Large Cap</i> (Mod. Aggr.)
	<i>INVESCO 500 Index Trust</i> ¹⁰	<i>Large Cap</i> (Mod. Aggr.)
	<i>American Funds Fundamental Investors R4</i> ⁶	<i>Large Cap</i> (Mod. Aggr.)
	<i>BlackRock Equity Dividend I</i> ⁶	<i>Large Cap</i> (Mod. Aggr.)
	<i>Moderate Profile</i>	<i>Profile Series</i> ⁹ (Moderate)
	<i>Vanguard Wellington Fund</i> ⁶	<i>Balanced</i> ⁹ (Mod. Conservative)
	<i>Conservative Profile</i>	<i>Profile Series</i> ⁹ (Conservative)
	<i>PIMCO Total Return Fund</i> ⁶	<i>Bond</i> ¹¹ (Mod. Conservative)
LOWER	<i>NJT Stable Value Fund</i> ^{10,12}	<i>Fixed</i> (Conservative)

⁶ Mutual fund option.

⁷ International/foreign funds involve special risks, including currency fluctuations and political developments.

⁸ Equity securities of small- and medium-sized companies may be more volatile than securities of larger, more established companies.

⁹ Asset allocation and balanced investment options are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. Stock values fluctuate in response to the activities of the general market, individual companies and economic conditions. Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. In general, when interest rates rise, bond values fall and investors may lose principal value.

¹⁰ Collective trust fund option.

¹¹ 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.

¹² The NJT Stable Value Fund is a separate account product offered by Great-West Life & Annuity Insurance Company and is not backed by the general assets of Great-West Life & Annuity Insurance Company.

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 prospectus or other disclosure documents. For more information, please refer to the fund's prospectus and/or disclosure documents. 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.

Continued from inside pages

Fees

What fees do I pay to participate in the Plans?

Recordkeeping and Administrative Fees

There are no recordkeeping or administrative fees to participate in the Plans.

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 Great-West) before the daily price or performance is calculated, pay for trading and other management expenses. You can find your Plans' collective trust investment option expense ratios on the website or in your Plans' 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.

Managed Account Fees

If you choose the Advisory Services Managed Account option provided by AAG, the annual fee will be based on your account balance, as follows:

Account Balance	Annual Managed Account Fee
Less than \$100,000	0.50%
Next \$150,000	0.40%
Next \$150,000	0.30%
Greater than \$400,000	0.20%

For example, if your account balance is \$50,000, the annual Managed Account fee would be 0.50% of the account balance. If your account balance is \$500,000, the first \$100,000 would be subject to an annual fee of 0.50%; the next \$150,000 would be subject to an annual fee of 0.40%; the next \$150,000 would be subject to an annual fee of 0.30%; and any amounts over \$400,000 would be subject to an annual fee of 0.20%.

The fee is based on your account balance on the day the fee is debited, and it will be deducted from your account quarterly within the last five to seven business days of each quarter. If you cancel participation in the Managed Account, the fee will be based on your account balance on the date of cancellation and will be deducted within five to seven business days of the cancellation date.

If you choose the Managed Account option, all of your defined contribution accounts with NJ TRANSIT will be managed by AAG and subject to the corresponding fees. For more information on the Managed Account service, visit www.25GONJT.com.³

There is no charge to use the Online Investment Advice and Online Investment Guidance tools.

TD Ameritrade SDB Fees

If you choose to participate in the TD Ameritrade SDB option, the annual fee of \$50 will be deducted from your account at \$12.50 per quarter, approximately one week prior to quarter end. Additional transaction fees also apply. For more information on the SDB option, visit www.25GONJT.com.³

Loans

Can I take a loan from my Plan accounts?

Yes; from your 457(b) and 401(k) Plans.

- The 457(b) Plans allow you to have *one* outstanding loan at any time.
- The 401(k) Plan allows you to have *two* outstanding loans at the same time.

For both the 457(b) and 401(k) Plans, you can take 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 www.25GONJT.com or call (800) 25-GO-NJT.³

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers. GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

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