

PEACH STATE RESERVES

Program Summary

	401(k) PLAN	457 PLAN
PLAN PROVISIONS		
Plan Employment & Status Eligibility	TPA determines eligibility based off of participant Employment Status and Benefit Program Code; for PeopleSoft employers, employment status information is derived by TPA (see PeopleSoft Interface document, pages 1-6 and 52-74 for more information)	
Contribution Type	Pre-tax and Roth contributions, whole percentages only.	
Contributions Limits	The minimum before-tax percentage that a participant may contribute is: 1% The maximum before-tax percentage that a participant may contribute is: 80% COMMENT: The 80% applies across both plans. In total, a participant active in both the 457 & 401(k) plan could only have a maximum combined contribution rate of 80%.	
Eligible Compensation Definition	Does not include bonuses, overtime, severance/salary continuation, service allowances, supplements of short duration and payments made after termination of service. Reported by payroll locations.	
Enrollment	For the State, new employees are auto-enrolled at 5% (population called GSEPS). Contributions can be pre-tax or Roth after-tax: <ul style="list-style-type: none"> • Participant contributes 1%; employer match of 100% • Participant contributes 2% to 4%; ER match of 50% • Maximum employer match = 3% The default contribution is pre-tax and the default investment is the age-appropriate target date fund. Other participating employers have different contribution formulas and not all participants are eligible for employer contributions; however, employees may enroll in the 401(k) for voluntary contributions. See PSR Employer Contribution attachment for additional information. Quick enrollment is also offered in the 401(k) plan but varies depending on the employer/participant.	Employees may enroll in the plan at any time. Enrollment elections are effective the first of the month following the election date, unless change is to a zero election, in which case the rate change is effective immediately. "Quick Enrollment" is offered to participants. The default starting contribution rate for participants who elect Quick Enrollment is 5%. ERSGA solicits Quick Enrollment to employees through print materials. A participant can enroll on the service provider website or by calling customer service center. Quick Enrollment elections are effective the first of the following month. The default contribution type is before-tax. The default fund for participants who elect Quick Enrollment is the lifestyle fund/premixed portfolio of funds based on age.
Vesting	All PSR members have a 5 year (20% per year) graded vesting schedule.	Not Applicable
Contributions and Rate Changes	Contributions are a percentage of pay. Dollar based contributions are not permitted. There is no limitation on number of contribution rate changes. The TPA communicates contribution cessations (voluntary and involuntary) from website transactions daily to payroll. See attached Payroll Matrix.	
Vacation Pay	N/A	Upon termination of employment, participants are eligible to make a lump-sum contribution from un-used vacation pay, at the time they separate from employment. This contribution is calculated by payroll locations and sent to the TPA on the payroll file.
Contribution Rate Escalator (voluntary; elected by Employee)	Participants may elect to have contributions automatically escalated. Contribution rate escalation change elections are effective based on the elected frequency. <ul style="list-style-type: none"> • The contribution(s) subject to the escalation feature is: Before-Tax and Roth • The date of the annual escalation is annually effective for December 1st The TPA will send a Contribution Escalation Reminder Notice one month prior to escalation date. Participant may stop the escalation at any time by electing a 0% escalation rate.	

Enrollment (non-auto)	Employees who opted out of auto-enrollment are permitted to enroll in the plan voluntarily at any time.	Enrollment elections are effective the first of the month following the election date, unless change is to a zero election, in which case the rate change is effective immediately.
Break in Service	<p>For Breaks in Service of 31 days or fewer, participants receive:</p> <ul style="list-style-type: none"> ▪ Credit for service during the break-in-service period; rehiring employer and position impact when service continues; for example, a GSEPS employee being rehired into a non-GSEPS position within 31 days will not have GSEPS service credit continue ▪ Reinstatement of prior service ▪ Forfeitures do not occur until after 31 days so a restoral of prior forfeitures (non-vested balances not yet been forfeited) is not required. <p>For Breaks in Service of more than 31 days participants do <u>not</u> receive:</p> <ul style="list-style-type: none"> ▪ Restoral of prior forfeitures ▪ Credit for service during the break-in-service period (see specifics above) 	Not applicable.
402(g) limit	The party with primary responsibility for monitoring the 402(g) limit is via client payroll. The 402(g) limit is monitored separately for each Plan. The TPA will also monitor the limit accuracy.	
Age 50 Catchup Contributions	<p>Participants may request to make catch up elections for multiple locations (up to 6 eligible positions) for different paychecks. This feature has not currently been activated. In the event of a transfer (a break in service of less than 31 days, the system will need to feedback the existing rate to the new employer immediately.</p> <p>Participants may immediately resume contributions after a voluntary suspension.</p> <p>Note: For PeopleSoft locations, actively-contributing participants who will be age 50 anytime in the next calendar year, as well as any participants who are in the final year of their Special 457 Catch Up period, the contribution rate needs to be sent back the last week in December with 50+ deduction code for the first group, or the applicable code (50+ or regular) for the second group.</p>	
457 3 Year Catchup	Not Applicable.	The TPA will facilitate the 3-Year catch-up election request from the participant, coordinate validation and approval with ERS and notify payroll appropriately. A participant cannot elect to be in the Age 50 Catch-up and the 457 Plan. For certain PeopleSoft group(s), new deductions codes need to be sent when a person is eligible for catch-up contributions.
Rehires	Break in service >31 days, new vesting period for ER contributions (does not include paid or unpaid leave of absence unless > 365 days).	Not Applicable.
Loans	Not Permitted	Not Permitted
Hardship/Unforeseen Emergency Withdrawals	The TPA will be responsible for qualifying hardships using the safe harbor standard. Hardship distributions to participants for expenses related to medical, tuition and funeral expenses for a primary beneficiary under the plan are not permitted.	The TPA will be responsible for qualifying unforeseen emergency withdrawals.
Beneficiaries	Married participants not designating their spouse as 100% primary beneficiary are required to complete and return a Beneficiary Designation Authorization form. The spouse must sign the Authorization form indicating that he or she agrees to the designation.	Spousal benefit requirements do not apply.

	<p>The TPA does not send a notice confirming the beneficiary designation if the form is approved but are notified if a form is denied.</p> <p>Single participants are required to complete and return a Beneficiary Designation Authorization form. Participants must sign the authorization form certifying that they are, in fact, single. The TPA pends the participant's beneficiary designation until the authorization form is approved or the pending information expires. Participants do not receive a notice confirming their beneficiary designations if the form is approved. Participants will be notified if a form is denied. If a single participant later marries, the current beneficiary designation(s) remain on file with the TPA until changed by the participant. However, the new spouse becomes the sole primary beneficiary unless he or she consents to someone other than himself or herself to be the beneficiary. Trusts may be designated as a beneficiary.</p>	
Beneficiary Designations	<p>Beneficiary elections can be made by percentages and fractions. In the event that a participant dies without having an effective beneficiary designation, the beneficiary is the participant's estate. All designations are made online. The TPA will need to set up a special agency ID for beneficiaries in order to eliminate the impact for the reporting back to agencies as these accounts would be excluded.</p> <p>Note: Electronic primary and contingent beneficiary designations maintained by the current TPA will be transferred in an electronic and indexed format.</p>	
Distributions		
In-service Withdrawals	<ul style="list-style-type: none"> • Hardship withdrawal • Age 59.5 withdrawal • Roth 401(k) Age 59.5 withdrawal • Retirement service credit purchase 	<ul style="list-style-type: none"> • Unforeseen emergency • Retirement service credit purchase • De Minimis
Automatic Enrollment Withdrawal (In-service)	<p>This withdrawal option is restricted by:</p> <ul style="list-style-type: none"> • 90th day after the day the first automatic contribution was posted, but no earlier than 30 days. • GSEPS participants who have rehired and still have a vested balance from their prior employment are not eligible for the withdrawal. <p>Only one withdrawal is processed per participant. The employer matching contributions and associated earnings are forfeited and cannot be withdrawn. After taking this in-service withdrawal, participants may continue making contributions. This withdrawal option is paperless.</p>	Not Applicable.
DROs	Not available.	Permitted and "qualified" by TPA.
Service Credit Purchase	<p>Investment funds for this withdrawal are pro rata (unless money market specified). After taking this in-service withdrawal, participants may continue making contributions. This payment is used to purchase retirement credit; therefore, all payments must be rolled over to ERS/TRS or other qualified plan by the participant. (Note: the Peace Officers Annuity Plan is NOT an acceptable option as it is a Non-Qualified Plan.). This withdrawal option is paper-based.</p>	
Normal Retirement Age	The later of age 60 or 30 years of continuous service with a participating employer.	<p>Either:</p> <p>(i) The age of the Participant as of that Participant's Projected Retirement Date, as such Date may be designated in accordance with Plan Subsection 3.5(b), or</p>

		(ii) Age 70-½, if no earlier Projected Retirement Date has been designated prior to Termination of Service.
Separation from Service	After separation from service, stop deductions are sent.	
Distributions	<p>Earliest time that a distribution may be requested is 30 days following separation from service. The following distribution options are available:</p> <ul style="list-style-type: none"> • Lump sum distributions • Partial distributions • Installments <ul style="list-style-type: none"> ▪ Monthly ▪ Quarterly ▪ Semiannually ▪ Annually • Qualified Joint and Survivor and Single Life Annuities • Small Balance Force-out Sweep <p>The maximum length of time that calculated installments may be elected is unlimited but not to exceed the life expectancy of the member and spouse. The minimum account balance required to elect calculated installments is \$1,000 and the minimum whole dollar amount per payment is \$50. Participants may request unlimited partial distributions. With exceptions of the money market fund, fund specific withdrawals are not permitted, i.e. pro-rata.</p>	
Residual Distribution	The late contributions will not overlap with the small balance cashout (below).	
Quarterly Small Balance Cashout	<p>The vested balance threshold for processing force-out distributions is \$1,000 or less. For force-outs of \$1,000 or less, the plan does not automatically roll over balances when the participant does not make a payment election – it is a cash payment to the participant. On a daily basis, the force-out evaluation will be conducted to identify any individuals whose current account balance is below the force-out threshold and they will receive a notification with a 90-day window to take action or be forced out of the Plan automatically in cash. Force-out distributions are processed 90 days after the separation status is received.</p> <p>On the process date if the amount to be forced out has increased above the cash out threshold the pending force-out will not process and the balance remains in the plan subject to ongoing force-out evaluation and sweep.</p>	
Annuitization Feature	<ul style="list-style-type: none"> • Single Lifetime Annuity • Joint and Survivor Annuity • Single Lifetime with Guaranteed Period Annuity <p>The participant is responsible for coordinating with the annuity provider he/she chooses. The TPA sends the total amount requested for the annuity to the insurance company that the participant chooses. A minimum account balance of \$1,000 or less is not eligible.</p>	
Participant Statements	Quarterly statements are on-line. The annual statement is mailed and includes retirement income projections for ERS members. Sample statements are attached.	
Investment Options	The plans have the same white labeled investment options. See the handbook for information on the underlying managers	
Transfer Restrictions	None.	
Excessive Investment Transfer Restrictions	Excessive trading restrictions are placed on all funds in the plan which is defined as more than one round trip (purchase and a sale of the same investment option) that exceeds \$25,000 within a 30 day period or 3 or more round trips within a 90 day period.	
Investment Transfers	<p>Participants may designate transfers in and transfers out in percentage increments of 1%. The number of transfer requests participants can elect are unlimited.</p> <p>Reallocations: Balances are liquidated and reinvested as needed based on the requested percentages where the participant wants the final balances to reside. For example, the participant requests 50% Fund B, 50% Fund E for his balances.</p> <p>Pooled (Series) fund transfer: Multiple funds can be selected to transfer out of. Participant requests to move 70% out of Fund A, 10% out of Fund B. 40% into Fund C, 60% into Fund D (100% total).</p>	

	<p>Within the reallocation request, participants may also elect to have account automatically rebalanced based on elections. Transfers into a fund are requested in percentages. Transfers out of a fund(s) can be requested as percentages or dollars. Transfers out can be requested in any combination of dollars and cents.</p> <p>Transfer requests must be made separately for each plan; however, when round trip transfers are processed, both plans will be looked at and not viewed individually.</p>
Automatic Rebalancing	<p>Automatic rebalancing occurs every 90 days until the participant stops the rebalancing, which is effective the next following business day. Rebalancing will continue for deceased participants until the assets are transferred to the beneficiary. Participants who request an investment election change and have automatic rebalancing pending will have the automatic rebalancing continue based on the new election. Participants who are automatically enrolled and have automatic rebalancing pending: Have the automatic rebalancing event cancelled at the time the Automatic Enrollment event processes.</p>
Plan/Trust Reconciliation	<p>The trustee/custodian will provide the TPA, at least monthly, with a list of the returned checks in order for the TPA to take action.</p> <p>Checks not cashed and returned to the plan are accounted for as follows:</p> <ul style="list-style-type: none"> • The trustee/custodian is instructed to issue a stop payment/redeposit and the payment is restored to the participant's account on the system by deleting the original payment • When the payment is deleted from the system, earnings and losses will be allocated to the participant's account as if the payment was never made. • The government reporting will be adjusted to reflect that the distribution did not occur. <p>The threshold amount for following up on stale dated checks is \$100. Stale dated checks are those that have not been cashed or returned and are at least 180 days old. Assets are redeposited into the clearing account indefinitely or until the participant requests a reissue. For payees with outstanding checks over the threshold, the TPA sends a letter notification for checks not cashed and not returned to the plan.</p>
Fee Collection	<p>Fees for the operation of the plans are billed and collected from participant accounts by the TPA. The current fee structure is a flat dollar collected from participant accounts at quarter-end. If the participant has both a 401k and a 457 account, the fee is collected from the participant's 401k account – not pro-rata between the two plans. Additional asset-based fees are collected from program investment options but collection is not the TPA's responsibility.</p>
Clearing Account	<p>The plan custodian/trustee will accrue expenses daily in the plan's Net Asset Values (NAVs). The book value of the plan's fund(s) is reduced by this accrual incrementally on a daily basis, which results in the actual fund value being greater than the book value reflected to participants. When accrued expenses are to be paid, the trustee will instruct the TPA to redeem shares from the investment fund(s) equal to the amount of the expense accrual. The cash from the redeemed shares is used to pay expenses to the appropriate parties. Earnings in the clearing account are used to offset earnings adjustments or used to pay plan expenses.</p> <p>The timing of when accrued expenses are to be redeemed from the investment funds is monthly.</p>
Ancillary Participant-Paid Services	
Investment Advice	<p>PSR offers investment advice. The respondent will be required to provide investment advice.</p>
Managed Accounts	<p>PSR offers managed accounts. The respondent may be asked to provide managed accounts.</p>
SDBO	<p>PSR offers a brokerage window. The respondent will be required to provide a brokerage window.</p>
Contribution, Data and Funding Transmission Methods	<p>There are approximately 485 different payroll locations in the program; however approximately 85% of the volume is sent through PeopleSoft. Employers send payroll files with multiple ways of funding the employee and employer contributions. See Employer Contributions and Payroll Matrix for a list of the variations including funding methods.</p> <p>Funding of payroll by the payroll entity are wired to the trust no later than the day following payroll posting on the recordkeeping system. Some locations require the custodial bank/trustee pull the funds from the individual location's account. Payroll instructions to stop deductions are transmitted by payroll locations daily; all other deductions will be transmitted the first of the following month that they are elected. When the TPA receives a payroll instruction, the TPA will trigger an automatic email to the individual agencies/locations alerting them as to when a new payroll instruction file has been sent to them.</p>

**Employees with
Multiple
Employment**

Participants need to be able to make separate elections for multiple locations for different paychecks.