



Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

# State of West Virginia Master Agreement

Order Date: 06-23-2021

CORRECT ORDER NUMBER MUST  
APPEAR ON ALL PACKAGES, INVOICES,  
AND SHIPPING PAPERS. QUESTIONS  
CONCERNING THIS ORDER SHOULD BE  
DIRECTED TO THE DEPARTMENT  
CONTACT.

Order Number:	CMA 0203 3810 CPR2100000002 1	Procurement Folder:	881748
Document Name:	Third Party Administrator (TPA) Services for TDC	Reason for Modification:	Reassignment of CMA - CPR2000000001
Document Description:	Third Party Administrator (TPA) Services for TDC		
Procurement Type:	Central Master Agreement		
Buyer Name:			
Telephone:			
Email:			
Shipping Method:	Best Way	Effective Start Date:	2021-06-15
Free on Board:	FOB Dest, Freight Prepaid	Effective End Date:	2022-12-31

VENDOR	DEPARTMENT CONTACT																				
Vendor Customer Code: VS0000037932 EMPOWER RETIREMENT LLC 8515 E ORCHARD RD  GREENWOOD VILLAGE CO 80111 US Vendor Contact Phone: 7705473419 Extension:  Discount Details: <table><thead><tr><th></th><th>Discount Allowed</th><th>Discount Percentage</th><th>Discount Days</th></tr></thead><tbody><tr><td>#1</td><td>No</td><td>0.0000</td><td>0</td></tr><tr><td>#2</td><td>No</td><td></td><td></td></tr><tr><td>#3</td><td>No</td><td></td><td></td></tr><tr><td>#4</td><td>No</td><td></td><td></td></tr></tbody></table>		Discount Allowed	Discount Percentage	Discount Days	#1	No	0.0000	0	#2	No			#3	No			#4	No			Requestor Name: Cynthia L Adkins Requestor Phone: (304) 558-3570 Requestor Email: cindy.l.adkins@wv.gov  <b>22</b> FILE LOCATION _____
	Discount Allowed	Discount Percentage	Discount Days																		
#1	No	0.0000	0																		
#2	No																				
#3	No																				
#4	No																				

INVOICE TO	SHIP TO
CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE  CHARLESTON WV 25304  US	CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE  CHARLESTON WV 25304  US

Total Order Amount:	Open End
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Purchasing Division's File Copy

**ENTERED**

7-26-20  
MKP 07/22/2021

PURCHASING DIVISION AUTHORIZATION
DATE: 7/26/2021
ELECTRONIC SIGNATURE ON FILE

ATTORNEY GENERAL APPROVAL AS TO FORM
DATE: 7/28/2021
ELECTRONIC SIGNATURE ON FILE

ENCUMBRANCE CERTIFICATION
DATE: 7/28/2021
ELECTRONIC SIGNATURE ON FILE

**Extended Description:**

This contract identified as CMA - CPR21\*02 is created for administrative purposes only and is intended to change the name of the vendor identified in contract no. CMA - CPR20\*01 from Great West Life & Annuity Insurance Company (V/C account 000000228335\*) to Empower Retirement LLC (V/C account 0000037932). . System limitations require that this contract be given a new number moving forward but the original contract, including all terms, conditions, prices, specifications, and change orders contained therein remain in full force and effect.

Vendor Now: Empower Retirement LLC  
8515 E Orchard Rd  
7T2 Corp Tax Dept  
Greenwood Village, CO 80111  
wvOASIS No.: 0000037932  
New procurement folder: 881748

Great West Life & Annuity Insurance Company  
8515 E Orchard Rd  
7T2 Corp Tax Dept  
Greenwood Village, CO 80111  
wvOASIS No.: 000000228335  
Procurement folder No.: 575316

Effective date of change June 16, 2021  
No other changes.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
1	80161500				0.000000
	<b>Service From</b>	<b>Service To</b>			
	2021-06-15	2022-12-31			

**Commodity Line Description:** Third Party Administrator Services (TPA)

**Extended Description:**

Third Party Administrator Services (TPA) for the Teachers Defined Contribution (TDC) Retirement Plan



**AMENDMENT**  
**to the**  
**SERVICES AGREEMENT**  
**for**  
**West Virginia Consolidated Public Retirement Board**  
**Group No. 98977**

THIS AMENDMENT is entered into by and between Great-West Life & Annuity Insurance Company ("GWL&A") and West Virginia Consolidated Public Retirement Board (hereinafter referred to as the "Board" or "CPRB") with respect to the recordkeeping services provided by GWL&A to the West Virginia Teachers Defined Contribution Plan (hereinafter referred to as the "Plan" or "Plans"), effective August 1, 2021.

WHEREAS, GWL&A and Board have entered into an agreement for recordkeeping and communication services ("Agreement"), as amended, under which GWL&A provides certain recordkeeping and communication services for the Board with respect to the Plan; and

WHEREAS, GWL&A and Board have decided to amend the Agreement to effectuate an assignment of the contract from GWL&A to its wholly-owned subsidiary, Empower Retirement, LLC;

NOW, THEREFORE, in consideration of the covenants and conditions herein contained, and other good and valuable consideration as herein provided, the parties amend the Agreement as follows:

1. GWL&A hereby assigns all rights and obligations under the Agreement to Empower Retirement, LLC.
2. Empower Retirement, LLC hereby accepts assignment and delegation of all of GWL&A's rights, duties, responsibilities, liabilities, obligations and interest under the Agreement and hereby assumes toward Board from and after the Effective Date all duties, responsibilities, liabilities, and obligations heretofore owing Board by GWL&A under the Agreement.
3. Board hereby consents to the assignment of the Agreement by GWL&A to Empower Retirement, LLC and assumes toward Empower Retirement, LLC from and after the Effective Date all duties, responsibilities, liabilities and obligations heretofore owing GWL&A under the Agreement.
4. In all other respects, the Agreement shall remain in full force and effect.
5. This Amendment shall take effect on August 1, 2021, (the "Effective Date").

IN WITNESS WHEREOF, the parties, by signing this Amendment, certify that they have read and understood it, that they agree to be bound by its terms, and that they have the authority to sign it.

**For: West Virginia Consolidated Public Retirement Board**

Signature: Jeffrey E. Fleck  
Name: Jeffrey E. Fleck  
Title: Executive Director

Date 7/7/21

**For: Great-West Life & Annuity Insurance Company**

Signature: John T. Mattucci  
Name: John T. Mattucci  
Title: VP, Relationship Management

Date 6/28/2021

**For: Empower Retirement, LLC**

Signature: John T. Mattucci  
Name: John T. Mattucci  
Title: VP, Relationship Management

Date 6/28/2021

**GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY**

**SECRETARY CERTIFICATE**

The undersigned, Brockett Hudson, Assistant Secretary of Great-West Life & Annuity Insurance Company (the "Company"), hereby certifies as follows:

1. I am the duly appointed and acting Secretary of the Company;
2. By resolution, election, appointment or delegation, Dan Morrison, is currently serving as Senior Vice President, Government Markets, of the Company, and is duly authorized to act and execute any agreement on behalf of the Company.

Dated at Greenwood Village, CO, this 30<sup>th</sup> day of June 2021.

Great-West Life & Annuity Insurance Company



\_\_\_\_\_  
Brockett Hudson  
Assistant Secretary

**AMENDMENT**  
**to the**  
**SERVICES AGREEMENT**  
**for**  
**West Virginia Consolidated Public Retirement Board**  
**Group No. 98977**

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3. Board hereby consents to the assignment of the Agreement by GWL&A to Empower Retirement, LLC and assumes toward Empower Retirement, LLC from and after the Effective Date all duties, responsibilities, liabilities and obligations heretofore owing GWL&A under the Agreement.
4. In all other respects, the Agreement shall remain in full force and effect.
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Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

State of West Virginia  
**Master Agreement**

Order Date: 06-23-2021

CORRECT ORDER NUMBER MUST  
APPEAR ON ALL PACKAGES, INVOICES,  
AND SHIPPING PAPERS. QUESTIONS  
CONCERNING THIS ORDER SHOULD BE  
DIRECTED TO THE DEPARTMENT  
CONTACT.

Order Number:	CMA 0203 3810 CPR2000000001 2	Procurement Folder:	575316
Document Name:	Third Party Administrator (TPA) Services for TDC	Reason for Modification:	Change Order 01 Change Order No. 01 is issued for administrative purposes only and is intended to change the name of the vendor, see extended description.
Document Description:	Third Party Administrator (TPA) Services for TDC		
Procurement Type:	Central Master Agreement		
Buyer Name:			
Telephone:			
Email:			
Shipping Method:	Best Way	Effective Start Date:	2020-01-01
Free on Board:	FOB Dest, Freight Prepaid	Effective End Date:	2021-06-15

VENDOR	DEPARTMENT CONTACT																				
Vendor Customer Code: 000000228335 GREAT WEST LIFE & ANNUITY INSURANCE COMPANY 8515 E ORCHARD RD  GREENWOOD VILLAGE CO 80111 US Vendor Contact Phone: 770-547-3419 Extension:	Requestor Name: Cynthia L Adkins Requestor Phone: (304) 558-3570 Requestor Email: cindy.l.adkins@wv.gov																				
Discount Details:																					
<table><thead><tr><th></th><th>Discount Allowed</th><th>Discount Percentage</th><th>Discount Days</th></tr></thead><tbody><tr><td>#1</td><td>No</td><td>0.0000</td><td>0</td></tr><tr><td>#2</td><td>No</td><td></td><td></td></tr><tr><td>#3</td><td>No</td><td></td><td></td></tr><tr><td>#4</td><td>No</td><td></td><td></td></tr></tbody></table>		Discount Allowed	Discount Percentage	Discount Days	#1	No	0.0000	0	#2	No			#3	No			#4	No			
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INVOICE TO	SHIP TO
CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE  CHARLESTON WV 25304  US	CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE  CHARLESTON WV 25304  US

Total Order Amount:	Open End
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PURCHASING DIVISION AUTHORIZATION  DATE: ELECTRONIC SIGNATURE ON FILE	ATTORNEY GENERAL APPROVAL AS TO FORM  DATE: ELECTRONIC SIGNATURE ON FILE	ENCUMBRANCE CERTIFICATION  DATE: ELECTRONIC SIGNATURE ON FILE
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**Extended Description:**

Change Order 01

Change Order No. 01 is issued for administrative purposes only and is intended to change the name of the vendor from Great West Life & Annuity Insurance Company (V/C account 000000228335\*) to Empower Retirement LLC (V/C account 0000037932). System limitations require that this contract be given a new number moving forward but the original contract, including all terms, conditions, prices, specifications, and change orders contained therein remain in full force and effect.

Vendor was: Great West Life & Annuity Insurance Company  
8515 E Orchard Rd  
7T2 Corp Tax Dept  
Greenwood Village, CO 80111  
wvOASIS No.: 000000228335  
Procurement folder No.: 575316

Vendor Now: Empower Retirement LLC  
8515 E Orchard Rd  
7T2 Corp Tax Dept  
Greenwood Village, CO 80111  
wvOASIS No.: 0000037932  
New procurement folder: 881748

Effective date of change June 15, 2021

No other changes.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
1	80161500				0.000000
Service From		Service To			
2020-01-01		2021-06-15			

**Commodity Line Description:** Third Party Administrator Services (TPA)**Extended Description:**

Third Party Administrator Services (TPA) for the Teachers Defined Contribution (TDC) Retirement Plan

**AMENDMENT**  
**to the**  
**SERVICES AGREEMENT**  
**for**  
**West Virginia Consolidated Public Retirement Board**  
**Group No. 98977**

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WHEREAS, GWL&A and Board have entered into an agreement for recordkeeping and communication services ("Agreement"), as amended, under which GWL&A provides certain recordkeeping and communication services for the Board with respect to the Plan; and

WHEREAS, GWL&A and Board have decided to amend the Agreement to effectuate an assignment of the contract from GWL&A to its wholly-owned subsidiary, Empower Retirement, LLC;

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2. Empower Retirement, LLC hereby accepts assignment and delegation of all of GWL&A's rights, duties, responsibilities, liabilities, obligations and interest under the Agreement and hereby assumes toward Board from and after the Effective Date all duties, responsibilities, liabilities, and obligations heretofore owing Board by GWL&A under the Agreement.
3. Board hereby consents to the assignment of the Agreement by GWL&A to Empower Retirement, LLC and assumes toward Empower Retirement, LLC from and after the Effective Date all duties, responsibilities, liabilities and obligations heretofore owing GWL&A under the Agreement.
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IN WITNESS WHEREOF, the parties, by signing this Amendment, certify that they have read and understood it, that they agree to be bound by its terms, and that they have the authority to sign it.

**For: West Virginia Consolidated Public Retirement Board**

Signature: Jeffrey E. Fleck

Date 7/7/21

Name: Jeffrey E. Fleck

Title: Executive Director

**For: Great-West Life & Annuity Insurance Company**

Signature: John T. Mattucci

Date 6/28/2021

Name: John T. Mattucci

Title: VP, Relationship Management

**For: Empower Retirement, LLC**

Signature: John T. Mattucci

Date 6/28/2021

Name: John T. Mattucci

Title: VP, Relationship Management



**GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY**


**SECRETARY CERTIFICATE**

The undersigned, Brockett Hudson, Assistant Secretary of Great-West Life & Annuity Insurance Company (the "Company"), hereby certifies as follows:

1. I am the duly appointed and acting Secretary of the Company;
2. By resolution, election, appointment or delegation, Dan Morrison, is currently serving as Senior Vice President, Government Markets, of the Company, and is duly authorized to act and execute any agreement on behalf of the Company.

Dated at Greenwood Village, CO, this 30<sup>th</sup> day of June 2021.

Great-West Life & Annuity Insurance Company



Brockett Hudson  
Assistant Secretary

**AMENDMENT**

**to the**

**SERVICES AGREEMENT**

**for**

**West Virginia Consolidated Public Retirement Board**

**Group No. 98977**

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Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

# State of West Virginia Master Agreement

Order Date: 2019-08-15

CORRECT ORDER NUMBER  
MUST APPEAR ON ALL PACKAGES,  
INVOICES, AND SHIPPING PAPERS.  
QUESTIONS CONCERNING THIS  
ORDER SHOULD BE DIRECTED TO  
THE DEPARTMENT CONTACT.

Order Number: CMA 0203 3810 CPR2000000001	Procurement Folder: 575316
Document Name: Third Party Administrator (TPA) Services for TDC	Reason for Modification:
Document Description: Third Party Administrator (TPA) Services for TDC	Award of CRFP CPR1900000005
Procurement Type: Central Master Agreement	
Buyer Name: Brittany E Ingraham	
Telephone: (304) 558-2157	
Email: brittany.e.ingraham@wv.gov	
Shipping Method: Best Way	Effective Start Date: 2020-01-01
Free on Board: FOB Dest, Freight Prepaid	Effective End Date: 2022-12-31

<b>VENDOR</b>	<b>DEPARTMENT CONTACT</b>
Vendor Customer Code: 000000228335 GREAT WEST LIFE & ANNUITY INSURANCE COMPANY 8515 E ORCHARD RD 7T2 CORP TAX DEPT GREENWOOD VILLAGE CO 80111 US Vendor Contact Phone: (770) 547-3419 Extension: Discount Percentage: 0.0000 Discount Days: 0	Requestor Name: Cynthia L Adkins Requestor Phone: (304) 558-3570 Requestor Email: cindy.l.adkins@wv.gov

<b>OFFICE TO</b>	<b>SHIP TO</b>
CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE  CHARLESTON WV 25304 US	CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE  CHARLESTON WV 25304 US

Total Order Amount	Open End
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<b>PURCHASING DIVISION AUTHORIZATION</b> SIGNED BY: DATE: ELECTRONIC SIGNATURE ON FILE	<b>ATTORNEY GENERAL APPROVAL AS TO FORM</b> SIGNED BY: DATE: ELECTRONIC SIGNATURE ON FILE	<b>ENCUMBRANCE CERTIFICATION</b> SIGNED BY: DATE: ELECTRONIC SIGNATURE ON FILE
-------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------

**Extended Description:**

Open End

Third Party Administrator (TPA) Services for TDC

The Vendor, Empower Retirement Solutions, agrees to enter with the Agency, The West Virginia Consolidated Public Retirement Board, into an open end contract to provide Third Party Administrator Services per the specifications, terms and conditions, bid requirements, Addendum No.01 issued 05/13/2019, Addendum No.02 issued 05/28/2019, Addendum No.03 issued 06/11/2019, and the Vendor's bid dated 06/21/2019, all incorporated herein by reference, and made a part of hereof.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
1	80161500				\$0.000000
<b>Service From</b>		<b>Service To</b>			
2020-01-01		2022-12-31			

Commodity Line Description: Third Party Administrator Services (TPA)

**Extended Description:**

Third Party Administrator Services (TPA) for the Teachers Defined Contribution (TDC) Retirement Plan



CPR2000000001	<b>Document Phase</b> Draft	<b>Document Description</b> Third Party Administrator (TPA) Services for TDC	<b>Page 3</b> <b>of 3</b>
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#### ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions

## **ORDER OF PRECEDENT AND MODIFICATION ADDENDUM**

**THIS ORDER OF PRECEDENT AND MODIFICATION ADDENDUM**, (hereinafter "Addendum") by and between Great West Life & Annuity Insurance Company (hereinafter "Vendor") and State of West Virginia, Certified Public Retirement Board (hereinafter "State"), (both referred to as "Parties"), is intended to provide an order of precedent for all documents that comprise the contract resulting from CPR 1900000005 (the "Contract") and facilitate a modification of those Contract documents.

**NOW THEREFORE**, the Parties hereto hereby agree as follows:

1. **Order of Precedence:** The Contract is comprised of the documents listed in this section. The terms and conditions contained in the various documents shall be interpreted according to the priority given to the Contract document in this section. Any terms and conditions contained in the first priority document shall prevail over conflicting terms in the second priority document, and so on.

**Contract Documents:**

- a. **Order of Precedence and Modification Addendum** (this document) – First Priority
  - b. **RFP CRP 1900000005 and any Addenda associated with it** (On file with WV Purchasing Division) – Second Priority
  - c. **Empower's Proposal Submitted in Response to RFP CRP 1900000005** (Attached as Exhibit A – Third Priority
  - d. **Agreement for Recordkeeping and Communication Services** (Attached as Exhibit B) – Fourth Priority
  - e. **Notice of State of West Virginia - Confidentiality Policies and Information Security Accountability Requirements** (Attached as Exhibit C) – Fifth Priority
  - f. **Empower's Information Security Exhibit** (Attached as Exhibit D) – Sixth Priority (all references to "Empower" in Exhibits B, C, and D shall mean Vendor and all references to "Plan Sponsor" shall mean the State).
2. **Modified Terms for RFP CRP 1900000005:** The General Terms and Conditions included with RFP CRP 1900000005 are modified as follows:
    - a. **Assignment:** Term 27 entitled "Assignment" is modified by adding an additional sentence as follows:

Notwithstanding the foregoing, the State acknowledges and agrees that Vendor may utilize the services of affiliates, agents, vendors and other suppliers selected by Vendor. Vendor's use of any such party will not relieve Vendor of its obligations hereunder, and Vendor shall at all times remain liable for the performance of the Services hereunder. In addition, Vendor may assign this Agreement with consent of the State, which will not be unreasonably withheld.
    - b. **Privacy, Security, and Confidentiality:** Term 30 entitled "Privacy, Security, and Confidentiality" is removed in its entirety and is addressed in this Addendum below.
    - c. **Indemnification:** Term 36 entitled "Indemnification" is removed in its entirety.
    - d. **Background Checks:** Term 41 entitled "Background Checks" is removed in its entirety and is addressed in this Addendum below.
  3. **Modified Terms for Empower's Proposal Submitted in Response to RFP CRP 1900000005:** The Legal Exceptions and Recommended Changes contained in Empower's Proposal submitted in response to RFP CRP

1900000005 are hereby rejected unless expressly addressed in this Addendum. Additionally, the changes to the RFP addressed in Section 2 above also apply to Empower's Proposal.

**4. Modified Terms for Notice of State of West Virginia - Confidentiality Policies and Information Security Accountability Requirements (Exhibit C):** The Notice of State of West Virginia – Confidentiality Policies and Information Security Accountability Requirements is modified as shown below:

a. The definition of "Information Security Incident" in Section 8 of Exhibit D shall take precedence over the term "Security Incident" in Exhibit C.

b. Section 4.2 in Exhibit C is modified by adding the following sentence:

"Any changes to Exhibit C shall be made in accordance with the Modification, Waiver and Consent provisions in Section X. of the Agreement."

c. Section 4.3.4 in Exhibit C shall be replaced with the following:

"Upon the State's request, no more frequently than annually, the Vendor agrees to provide the State with its standard information security questionnaire, which currently aligns with the Standardized Information Gathering questionnaire ("SIG"), and its SSAE-18 Type II report, or equivalent information in other formats as may be provided by Vendor at a future time as a result of developments in the retirement plan recordkeeping industry. In addition, Vendor shall provide copies of any information security certifications maintained by Vendor, which currently includes a Verizon Cybertrust certification.

Upon the State's request, the Vendor will provide a written response to an additional fifty (50) questions not covered by the information provided by Vendor, and participate in a teleconference of up to one hour to provide additional information requested by the State. The State agrees that all information provided by Vendor or observed by the State in connection with Vendor's information security program constitutes Vendor Confidential Information and shall be used by the State only internally for the purpose of evaluating the Vendor's services. To ensure protection of Vendor's other client and corporate confidential data, access to Vendor's information and facilities shall be subject to Vendor's standard requirements. The State agrees that any third parties participating in such audit may be required to sign a confidentiality agreement with Vendor."

d. Section 8 in Exhibit D shall take precedence over Section 4.4.2.2 in Exhibit C, provided that the 1<sup>st</sup> sentence of the 2<sup>nd</sup> paragraph of Section 8 in Exhibit D is modified as follows:

"Empower will notify Plan Sponsor within 72 hours following confirmation of any security breach that has compromised the security, confidentiality or integrity of Plan Sponsor's data and resulted in unauthorized access to Plan Participant data by a third party (collectively and "Information Security Incident").

e. Section 8 in Exhibit D, modified as provided for in d. above, shall take precedence over Section 4.4.2.4 in Exhibit C,

f. Section 4.4.2.6 of Exhibit C is modified by adding "as applicable" at the end of the sentence.

g. Section 4, Cryptography in Exhibit D shall take precedence over Section 4.7 in Exhibit C.

**5. Modified Terms for The Agreement for Recordkeeping and Communication Services:** The Agreement for Recordkeeping and Communication Services is modified as shown below.

a. **Hold Harmless:** Page 25, paragraph VI. of the Agreement for Recordkeeping and Communication Services entitled Hold Harmless and Indemnification is modified by inserting a final sentence to the second paragraph stating:

"The Parties understand and agree that in the context of this paragraph the phrase "inaction" refers specifically to instructions from the Board to refrain from taking action and does not include instances where Great-West chooses not to act without instructions to that effect from the Board."

b. **Effective Date:** The first paragraph of Section VIII.A. of the Agreement shall be deleted in its entirety and replaced with the following:

"A. This Agreement will be effective on January 1, 2020 for a period of three (3) years and may be renewed as indicated in the General Terms and Conditions contained in the RFP CRP 1900000005. Great-West may terminate the Agreement for any reason upon giving the Board ninety (90) days written notice. Such notice of intent by Great-West to terminate will not relieve Great-West of the obligation to continue to provide services pursuant to the terms of the Agreement."

6. **Additional Contract Terms:** The Contract shall include the following additional terms.

- a. **PRIVACY, SECURITY, AND CONFIDENTIALITY:** Except as otherwise provided for in the Agreement, the Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other Confidential Information gained from the Agency, or the disclosure is made pursuant to the terms of the Agreement or the Agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, Attached hereto as Exhibit B, as modified herein.
- b. **ANTITRUST:** In submitting a bid to, signing a contract with, or accepting an Award Document from any agency of the State of West Virginia, the Vendor agrees to convey, sell, assign, or transfer to the State of West Virginia all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to Vendor.
- c. **BACKGROUND CHECK:** The State reserves the right to prohibit a service provider's employees from accessing sensitive or critical information or to be present at the Capitol complex based upon results addressed from a criminal background check. Service providers should contact the West Virginia Division of Protective Services by phone at (304) 558-9911 for more information.

IN WITNESS WHEREOF, the Parties have entered into this Addendum effective as of the date of last signature below.

STATE OF WEST VIRGINIA

By: Jeffrey E. Fleck  
Name: Jeffrey E. Fleck  
Its: Executive Director  
Date: 9/12/19

GREAT-WEST LIFE & ANNUITY  
INSURANCE COMPANY

By: Margaret Daubenspeck  
Name: Margaret Daubenspeck  
Its:   
Date: 9/4/19



**Exhibit A:**

**Empower's Proposal Submitted in Response to RFP CRP 1900000005**

# West Virginia Consolidated Public Retirement Board

## SOLUTION FOR RECORDKEEPING AND ADMINISTRATIVE SERVICES



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WV FUNDING  
DIVISION

Consolidated Public Retirement Board – CRFP-0203 CPR1900000005  
Great-West Life & Annuity Insurance Company

**Address:** 8515 East Orchard Road, Greenwood Village, Colorado 80111-5002

**Telephone:** 303-737-3000 or 800- 537-2033

**Fax:** 303-737-3110

**Name of Contact Person:** Donald J. Jurgens, Managing Director Relationship Government

**Email Address:** don.jurgens@empower-retirement.com

Signature: 

Marybeth Daubenspeck, Vice President, Government Markets

Date: 6/19/19



June 19, 2019

West Virginia Consolidated Public Retirement Board  
Attn: Brittany Ingraham, Buyer  
Department of Administration, Purchasing Division  
2019 Washington Street East  
Charleston, WV 25305-0130

Re: Request for Proposals for Third Party Administrator Services for TDC (CRFP 0203 CPR 1900000005)

Dear Ms. Ingraham:

We would like to thank the West Virginia Consolidated Public Retirement Board (Agency) for the opportunity to continue to be your defined contribution plan partner. We are committed to providing innovative and impactful solutions focused on replacing, in retirement, the income your participants made while working.

#### A Lookback at Our Successful Partnership

Our partnership has brought many of the Agency's strategic initiatives and industry best practices to light, underscoring the value Empower Retirement has brought and will continue to bring to your plan. The successful partnership between the Agency and Empower has resulted in several key achievements:<sup>1</sup>

- Plan participant retention for terminated employees increased from 783 to 922 (18% increase).
- Increased the average account balance from \$55,783 to \$115,466 (107% increase).
- Increased the average number of investment options per participant from 3.10 to 3.65 (18% increase).
- Chris Meadows transitioned from a retirement plan counselor (RPC) to a retirement plan advisor (RPA) in 2017 by obtaining his FINRA Series 65 securities registration. As a result, Chris acts in a fiduciary capacity providing specific recommendations to participants on investment allocations, distribution options and savings rates. We believe our RPAs, acting in a fiduciary capacity, are a major differentiator. Our RPAs do not sell products that have not been vetted by the plan fiduciary or that the Agency does not consider to be in the best interest of the participants.
  - To measure the effects of this service enhancement, we conducted an internal study in 2017. The results indicated that two out of every three participants who met with an RPA took a positive action toward improving their retirement outcome<sup>2</sup> (positive actions include enrolling, increasing deferrals, rolling money into the plans, updating beneficiary information, etc.).
  - Chris visits all of the adopting employers throughout the year, advising on a variety of meeting topics to help employees, including selecting appropriate asset allocation and increasing deferrals.

These impressive accomplishments are directly attributed to the strong partnership between the Agency and Empower, with the deliberate focus on improving participant outcomes.

<sup>1</sup> Statistics from June 30, 2012, through December 31, 2018 via internal reporting

<sup>2</sup> Internal data as of June 2017

Marybeth Daubenspeck  
Vice President

8515 E. Orchard Road  
Greenwood Village, CO 80111

office: 303-737-5261  
marybeth.daubenspeck@empower-retirement.com

Securities offered through GWFS Equities, Inc. and/or other broker dealers.

Insurance products offered by Great-West Life & Annuity Insurance Company, Corporate Office: Greenwood Village, CO; or in New York, by Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY.



### **Focus on Retirement Readiness through the New Empower Experience**

Our **EmpowerUp™** participant experience is an innovative platform that frames the retirement savings journey in terms of monthly income, rather than a large, intimidating lump sum. This approach, which includes positive motivators such as our account aggregation and peer comparison features, has proven to help engage participants and drive better results.<sup>3</sup> Our participant experience is built to provide a comprehensive financial offering in a single platform that features options for managed accounts and financial wellness tools, including:

**My Total Retirement™** offers a comprehensive, personalized financial strategy for all life stages — including a personal savings, investment and distribution strategy created and managed by professionals.

**Me & My Money** provides a convenient financial wellness resource of educational tools in four key areas — spending, saving, investing and protecting — which can help your employees manage their day-to-day finances more effectively.

### **Engaging Communications**

Empower brings to life a communications and education plan that engages your employees via the channels they prefer — email, text message, web, social media, direct mail and in-person meetings. Our campaigns are designed to motivate positive action and improve savings rates and overall financial wellness. In addition to plan-wide and segmented communications, our system can automate personalized messages to your employees based on their behaviors and their Lifetime Income Scores, sequenced to provide the most relevant messages as people advance in their savings progress.

The participant communications team recently collaborated with the Agency to encourage participants to name a beneficiary. An asset allocation campaign targeted to participants younger than age 65 solely invested in a single fund, excluding asset allocation funds, will be launched later this month. The communications team will also create campaigns focused on beneficiary, email capture, and promoting retirement readiness review meetings with the local RPA, Chris Meadows, throughout 2019. In addition, the communications team recently rebranded the quarterly newsletter to make the articles shorter, easier to read, and to provide more white space throughout the document.

### **Enhanced Plan Sponsor Resources**

We want to help your employees save for retirement in practical, engaging and innovative ways. And we want to apply those same principles to making your life easier. Our modern plan sponsor experience provides cutting-edge tools to help improve plan results and simplify day-to-day administration—including enriched, practical analytics that allow you to monitor the real-time health of your plan and turn data trends into actionable insights. Empower will continue to measure how well your plan prepares employees for retirement, and together we'll set specific goals, create targeted campaigns and measure results. We will continue to develop solutions to address your specific goals and identify opportunities for improvement.

### **Consistent and Reliable Personal Service**

Our digital resources are practical, intuitive and convenient, but they're no substitute for one-on-one interactions. That's why the Agency is matched with relationship manager Don Jurgens and a designated service team that's been carefully selected to provide well-rounded knowledge and support for all your plan needs including administration, employee services, communications, and more.

You deserve service excellence, and that's what we deliver. Empower was recently recognized by Newsweek as one of the top three financial services companies in "America's Best Companies for Customer Service."<sup>4</sup>

<sup>3</sup> Based on participant website usage data for the period January 1, 2017, through December 31, 2017. Users are defined as participants who logged on to the website and moved the deferral rate slider at least once.

<sup>4</sup> Newsweek, 2018

**Marybeth Daubenspeck**  
Vice President

8515 E. Orchard Road  
Greenwood Village, CO 80111

office: 303-737-5261  
marybeth.daubenspeck@empower-retirement.com

Securities offered through GWFS Equities, Inc. and/or other broker dealers.

Insurance products offered by Great-West Life & Annuity Insurance Company, Corporate Office: Greenwood Village, CO; or in New York, by Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY



**A Proven Solution that Works, No Conversion Necessary**

Continuing our partnership will allow us to build on the success we've achieved together, especially as you won't have to deal with the disruption of starting from scratch with a new provider. We're excited by the prospect of enriching our partnership and we're eager to work together to pursue a better future for all your employees.

Sincerely,

Marybeth Daubenspeck

Vice President, Government Markets

Marybeth Daubenspeck  
Vice President

8515 E. Orchard Road  
Greenwood Village, CO 80111

office: 303-737-5261  
[marybeth.daubenspeck@empower-retirement.com](mailto:marybeth.daubenspeck@empower-retirement.com)

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## West Virginia Consolidated Public Retirement Board and Empower — Continuing to Build a Partnership for a Better Retirement Experience

As an organization, our vision is to transform the retirement industry through a singular focus on retirement delivery solutions. With expertise across all plan sizes, industries and markets, Empower Retirement can continue to bring proven ideas and innovations to your organization that help deliver measurable results for your plan and participants.

We believe every touchpoint should inspire your employees and make it easy to take a positive action.

### A Participant Experience Designed to Engage and Drive Action

Our participant experience offers an innovative approach to retirement planning. It works to drive individuals to take action by showing them the important connections across health and wealth and estimated retirement income. This results-driven philosophy begins with a personalized view that translates savings into estimated monthly income in retirement and offers next steps to help boost income in retirement. The Empower experience also provides a convenient way to adjust contributions (if applicable), rebalance a portfolio and lets a participant make immediate changes to their portfolio.

Additionally, the Empower participant experience includes:

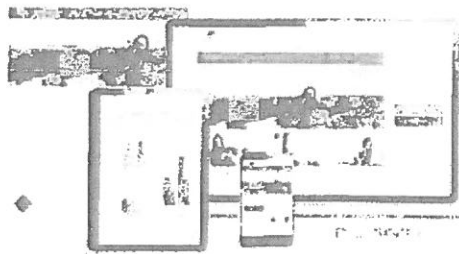
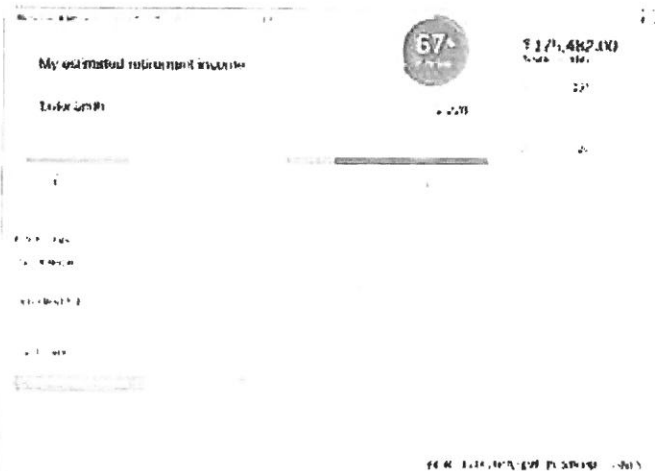
**How Do I Compare?:** Shows participants where they stand alongside top savers within their demographic profile.

**Financial Wellness:** Provides educational tools and resources in four key areas — spending, saving, investing and protecting.

### Focused and Proactive Communications

We reach your employees based on your plan's needs and your employee's needs, across delivery channels, for a comprehensive and continuous experience. Understanding that every employee is different and has unique needs along the way, we deliver relevant ongoing messages — automatically — to help your employees make informed decisions about how to reach their monthly income in retirement goals.

Whether you wish to improve asset allocation or simply encourage beneficiary designations, our campaigns are designed to drive positive participant action and results.





## Investment Solutions for Retirement

We offer an open-architecture platform that includes thousands of investment options from hundreds of participating mutual fund companies. In addition, our investment product department, Great-West Investments™, designs and delivers innovative investment solutions created specifically for retirement investors to help them grow and preserve their assets. The comprehensive suite of investment products and services includes the following:

**The Great-West Funds:** A family of mutual funds including certain funds sub-advised by leading investment managers.

**Target Date Funds:** Featuring multi-firm investment management blending underlying active and passive strategies.

**Capital Preservation Products:** Offering principal preservation and predictable returns.

**Innovative Retirement Income Solutions:** Providing guaranteed income for life.

**Empower Retirement Advisory Services<sup>1</sup>:** Tailored to participants' specific retirement goals and circumstances. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

## A Retirement Partnership Designed for You

At Empower, retirement is the only thing we do. We work with you to offer an outstanding retirement benefits program to your employees. With approximately 9.1 million participant accounts and more than 39,000 retirement plans<sup>2</sup>, our recordkeeping system — that we built and own — provides the same functions for plans of any size while reducing the administrative tasks many plan sponsors experience.

What does that mean for you? Your service team works with you to help ease your administration burden — and gets results. We consult with you on what is most relevant for your employee population, propose meaningful ongoing plan enhancements and keep you informed of regulatory changes before they happen.

## Our Commitment to You

While it has been Empower's practice to stand behind the security of participant accounts, we are now taking the next step to ensure you and your participants understand our commitment — the Empower Retirement Security Guarantee. Our guarantee reaffirms our promise to restore account losses caused by unauthorized transactions that occur through no fault of a participant or plan sponsor. With Empower, you are entrusting your employees' retirement accounts to a company willing to stand behind its security controls.

## Privileged to Be Your Partner

The opportunity to continue to count West Virginia Consolidated Public Retirement Board among our clients is exciting, and it comes with a great deal of responsibility. We believe our associates are up to the challenge.

Thank you for considering Empower for your retirement plan needs. We look forward to continuing to work together with you to help employees save enough today to generate the income they need to enjoy the future they imagine.

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<sup>1</sup> Advisory Services are provided by Advised Assets Group, LLC (AAG), a registered investment adviser.

<sup>2</sup> As of March 31, 2019

## Request for Proposal

### (Consolidated Public Retirement Board - CRFP 0203 CPR1900000005)

#### 4.2 Project Goals and Mandatory Requirements

Third-party administration services, including custodian services, for the TDC Plan provided by a vendor with proven experience providing such services to governmental defined contribution retirement system of similar or larger than the TDC plan. Vendor should describe its approach and methodology to providing the service or solving the problem described to meet or exceed the goals/objectives identified below. Vendor's response should include any information about how the proposed approach is superior or inferior to other possible approaches.

##### 4.2.1. Goals and Objectives -The project goals and objectives are listed below.

###### 4.2.1.1 Administrative Services and Recordkeeping with appropriate staffing

4.2.1.1.1 TPA should provide a sufficient number of properly licensed, trained and qualified representatives to provide the TPA Services.

- Describe your company's proposed staffing plan for providing the TPA Services. Include the number of employees that will be assigned, their duties and a brief resume (including licenses) for each. Be sure to include individuals in your organization who would be primarily responsible for specific aspects of this engagement, including administrative services and recordkeeping; customer service, communication and education; investments; transition services; and reporting and compliance. For each, state how many other account/clients he or she would be assigned and backup.

Members of the service team include:

Name	Title	Number of Clients
Marybeth Daubenspeck	Vice President, Government Markets	Marybeth oversees 10 relationship managers who manage 42 relationships
Donald J. Jurgens	Managing Director, Government Markets	8
Bryan Peart	Manager, Client Services Government Markets	Bryan oversees 10 client service managers who manage 39 relationships.
Jennah Ross	Senior Client Service Manager	11
Chris Meadows	Retirement Plan Advisor	1
Jennifer L. Bailey	Communication Lead Participant Communications Government	15
Megan Jurasic	Communications Strategist, Participant Communications Government	5
William Thornton	Investment Director	7

Please see the service team biographies in the Exhibits section.

## West Virginia Consolidated Public Retirement Board

### Consolidated Financial Statement for the Fiscal Year Ending 12/31/2014

- Name the person who will have overall, hands on, account management responsibilities for the TDC Plan. Provide a resume for this individual including his or her qualifications, licensing, experience, and number of years with your company and primary work location. Include his or her address, contact information and current assignments, and state if his or her assignments would change if you are named the TPA

#### Donaid J. Jurgens, Managing Director, Government Markets

Don is responsible for managing and maintaining relationships with large government plans and enhancing overall client satisfaction. He has a passion for retirement planning and enjoys educating plan sponsors and helping public sector employees.

Don joined the organization in 2014 and has also served as national sales manager for the government market segment. He has been active in the defined contribution marketplace since 1988, spending the majority of his career serving the government market. Prior to joining the firm he worked at ICMA-RC, where he served in roles that included national sales manager, consultant relations program manager and direct sales representative, and at Northern Trust and VALIC.

Don holds a bachelor's degree from Purdue University. He currently maintains FINRA Series 6, 26 and 63 securities registrations.

Don is currently and will continue to be the relationship manager for the plan; therefore, no changes in assignments are anticipated. Don's contact information is as follows:

Address	8515 East Orchard Road Greenwood Village, Colorado 80111
Phone Number	770-547-3419
Email	don.jurgens@empower-retirement.com
Client Names	City of West Palm Beach City of Tallahassee City of Jacksonville State of West Virginia West Virginia Teachers State of Florida St. Johns River Water Management District The Electric Authority

- Describe the size of an average defined contribution service team and team members' functions.

The currently assigned team represents Empower's average size of a service team for a plan of this size and complexity.

All members of the team devote their time as needed during the different phases of the plan—as much as 100% of their time. This team approach to case management has resulted in an exemplary level of service for our clients, allowing our representatives to provide effective local services, program design, case management and administrative service functions.

- Relationship managers (RMs) are responsible for helping to ensure a plan sponsor's overall satisfaction.
- Client service managers (CSMs) work as the day-to-day operations managers for the plan sponsor.
- Retirement plan advisors (RPAs) are designated for participant education.
- Communication strategists work with the client and the service team to execute marketing techniques.

United States Public Retirement Board OFFICE OF THE CHIEF CLERK

- We do not track the turnover of senior staff; however, we have listed employee turnover for the last three years below. The data gathered represents employees of Empower only.

In the event of turnover within the department, we first would recruit internal candidates for possible promotion into the department. Internal candidates have the knowledge of the operations and the recordkeeping system, which are critical in the day-to-day management of the plan. Training is done on an individual basis with team training on overall processes and procedures.

Our goal is for the Empower service team to be assigned to the West Virginia Consolidated Public Retirement Board for the duration of the relationship, barring a career change or promotion, or unless requested by the plan sponsor.

Empower supports a promote-from-within policy and commitment to employee development. In the event of turnover within the service team, we would recruit internal candidates first. Internal candidates have existing knowledge of our operations and recordkeeping system, which are critical in the day-to-day management of the plan.

- Chris Meadows, Retirement Plan Advisor**

Chris attended West Virginia University in Morgantown, West Virginia earning a bachelor's degree in 1998.

- What is your company's policy for initial and ongoing training and licensing of service personnel? Differentiate by type of personnel, if applicable. Include a description of your required licensing program.

RMs attend an intensive one-week training course at our home office in Greenwood Village, Colorado. The topics are based on the RM's specific assigned case load. Subject matter experts advise the RM on their roles within the company in an interactive environment. Training is specific to the RM and designed with an

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Services Group (CFS) 2023-2024 Strategic Plan

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opportunity to interact in a flexible learning environment. For continued ongoing support, RMs are assigned a peer mentor for a period of 12 months. The peer mentor and the RM meet bi-weekly to discuss activity, understanding reporting metrics, use of our internal communications database, and the importance of taking meeting minutes to manage client-oriented tasks for completion.

RMs attend an annual training summit addressing new company initiatives, changes in regulations, enhancements to the recordkeeping system, and upcoming participant communication campaigns. On a monthly basis, the RMs attend a training call to help ensure ongoing compliance training, as well as receive training by subject matter experts on topics ranging from online features to various methods of fee recovery. The monthly training is intended to consistently deliver information that is valuable to the plan sponsors for improving plan processes and learning about new product enhancements related to improving employees' retirement readiness.

All RMs are required to obtain the FINRA Series 6 and 63 registrations. To maintain their registrations, RMs are required to attend periodic FINRA continuing education classes and complete an annual Firm Element course. Other ongoing training is provided as a refresher, as a complement to plan/industry changes, and as warranted either on an individual or group level.

### Client Service Manager

Newly hired CSMs are immediately enrolled in our in-house staff-training program and begin a four-week training program to obtain their FINRA Series 6 registration.

During training, each representative is assigned a senior representative to serve as a mentor.

Team members are required to attend periodic FINRA continuing education classes to maintain their licenses. In addition, they are required to complete an annual Firm Element course, as well as attend an annual compliance meeting—all conditions of having and maintaining a license. Other ongoing training is provided as a refresher, as a complement to plan/industry changes, and as warranted either on an individual or group level.

### Retirement Plan Advisor

New RPAs undergo comprehensive training focused on enabling participants to replace their monthly income in retirement. Emphasis is placed on defined contribution industry and investment knowledge, general retirement plan features and benefits, communicating through individual and group sessions and counseling to the four pillars of retirement readiness: participation, savings rate, asset allocation and defining a strategy for wealth accumulation and distribution.

All new RPAs are assigned a mentor and attend a week long training program at the corporate office as well as regular and ongoing virtual and classroom training and assessment in the field. These training sessions are conducted by managers and the training director. In addition, a heavy focus is placed on the individualized skill and knowledge development of all RPAs, regardless of tenure. This is accomplished through the creation of a personalized development plan with specific actionable steps to increase skills and knowledge. Progress and status is discussed and addressed on a monthly basis with the RPA's manager.

All RPAs are required to obtain FINRA Series 6 and 63 registrations. If servicing a plan that includes Advisory Services, they must also obtain the FINRA Series 65. Our RPAs will be registered with our advisory firm as investment adviser representatives and will be fully trained to assist all employees in a comprehensive, personalized retirement planning assessment from which they can change their asset allocation, transfer their investments and more. RPAs receive special training for the computer software used to model retirement projections and asset allocation scenarios, and must complete at least three compliance and Advisory Service methodology trainings before they are permitted to provide investment advice to participants.

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board - CRFP (CRF) (CRF) (CRF)

To maintain their registrations, field staff are required to attend periodic FINRA continuing education classes. They are required to complete an annual Firm Element course as well as attend an annual compliance meeting — all conditions of having and maintaining a registration. Other ongoing training is provided as a refresher, as a complement to plan/industry changes, and as warranted either on an individual or group level.

### Communication Lead and Communication Strategist

Communication leads and communication strategists complete initial and ongoing training on the following topics: strategic communications process; communication goals, initiatives and metrics for assigned clients; compliance; participant and plan sponsor website; project management tools and software; plan transitions; Empower products and services; and internal resources and policies.

- Do you have a continuing education program in place for your service representatives to stay current of program changes, changes in the law, and investments? If so, describe in detail and indicate if Plan staff may attend.

Yes. Training is provided to associates to meet regulatory and industry requirements as well as to keep abreast of retirement plan industry developments with respect to the financial markets and investment products.

### Plan Sponsor

We provide news of changes in the law and recommendations for you to consider through the plan sponsor website, newsletters, webinars and meetings, as well as letters and emails. We explain the provisions of legal, regulatory, case law and other developments that are relevant to your plan. We analyze and interpret how such developments affect your plan, your participants and your company, and we outline the plan design and administration decisions you may have to make.

The following table illustrates the methods of communication.

Method	Purpose
Plan sponsor website	Online portal for accessing participant- and plan-specific reports; also includes Empower and industry news.
Newsletters	Email newsletter that informs clients, prospects and intermediaries about Empower's products and services and also industry news; also provides information on design, funding, administration, communication and fiduciary responsibilities – components of Empower's Plan Insights Framework.
Webinars	We host webinars or seminars on legislative, regulatory and other industry-related topics.
Face-to-face meetings	RMs conduct meetings with plan sponsors to discuss legislative updates.

- In the past five years, has anyone you plan to assign to work with the Agency ever been denied a license as an agent or broker or any other insurance license, been reprimanded, or had a license revoked or suspended? If so, please state the name of the person, event, date, cause and outcome.

No. As it pertains to state insurance department licensing and state secretary of state registration, Great-West Life & Annuity Insurance Company (GWL&A) has not been denied a license or had a license revoked or suspended to do business.



No member of the assigned service team has ever been denied a license as an agent or any other insurance license, been reprimanded, or had a license revoked or suspended.

- Describe how your staff will assist the Agency in performing its due diligence.

Although Empower is not a plan fiduciary, we partner with the Agency to provide assistance in meeting fiduciary responsibilities. This includes any ERISA requirements the Agency may follow as best practices.

Empower has designated audit support staff that specialize in handling independent third party audit needs for our clients. Your CSM, Jennah Ross, can also work with your auditor to provide assistance with the year-end audit. Jennah can provide the auditor with additional audit information or answer questions regarding plan data.

We provide a full audit package that includes our Annual Plan Summary, SSAE 18 (formerly SSAE 16), plus any additional requested support and documentation.

Our plan sponsors receive quarterly updates called *Defined Contribution Legal and Regulatory Update*. They also periodically receive *Focus on 457*, a leading technical newsletter for governmental defined contribution plans published by Empower since 1987, for instant insights into developments that cannot wait for the next quarterly publication. These publications are designed to keep our plan sponsors apprised of legislative and regulatory changes impacting their plans.

We also host periodic webinars enabling our plan sponsors to participate in town hall meetings/seminars on important plan-related issues. Plan sponsors view the webinar presentation on their computer screens and hear the presenter over the phone or through streaming audio on the Internet. Marilyn R. Collister, Senior Director, Legislative and Regulatory Affairs, is also available to conduct on-site fiduciary training seminars for the plan's retirement plan board or committee members and provide legislative and regulatory updates to plan fiduciaries and staff.

- Discuss staffing in the area that supports your Voice Recognition System (VRS) and Internet systems. How many are programmers?

As of March 31, 2019, we employed 695 systems and technology professionals and approximately 401 employees are in the area of programming and development.

Programming and development consists of developers and software development in the technology group.

- 4.2.1.1.2 TPA should provide a secure recordkeeping system capable of maintaining governmental defined contribution plan participant and related data confidential; maintain the Plan data as the sole property of the Agency; and ensure the system has quality controls that ensure proper reporting and reconciliation.

- Describe your record keeping system, abilities and methodology. Please provide screen prints. Indicate whether your system offers Plan specific information, investment fund information and performance, investment fees, account balances, current participant information, change of address or status, reallocation of account balances, withdrawals/disbursements, beneficiary designation, PIN code changes, printable statements, confirmations, asset allocation modeling, retirement calculators and personal rate of return.

Empower currently provides a secure recordkeeping system, plan sponsor and participant website for the Agency.

#### Recordkeeping System, Abilities and Methodology

Our recordkeeping system is an internally developed client-server application that runs on an Oracle Solaris operating system. The web interface was developed using Java, J2EE, and Weblogic. Our hardware platform comprises a series of UNIX servers ranging from high-end database servers to mid-tier application servers.

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board - 600 T. 0203 CHS 01/01/2019

Our system offers plan specific information at both the plan level (plan sponsor website) as well as at the participant level (participant website).

### Plan Sponsor Website

The plan sponsor website offers tab-based navigation to access, including the following:

#### Plan Information

Plan Information Access	
Plan details	Vesting administration
Employee administration	Customer support
Detailed Participant Information	
Name, address, date of birth, and dates of employment	Complete transaction histories, including contributions, transfers, and withdrawals
Income data	Employment history
Division information	Investment allocations
Account balance	Vesting status
Flexible Reporting	
Sample reports	Report scheduling
User-selected reporting parameters	Report downloads and email notification

Our plan sponsor reporting focuses on helping every participant achieve a dignified retirement. We provide six data visualizations designed to help the plan sponsor improve the overall health of the plan. Demographic backdrops that can be compared include a plan's primary code (such as location, division, job code, union or non-union or any other plan segments implemented at the plan level), as well as age, salary, gender and tenure.

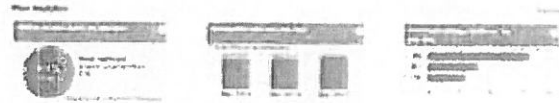


## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board, 601 17th Street, Suite 200, Charleston, WV 25301

### Investment Fund Information (Performance and Fees)

Through the plan sponsor website, authorized staff can view the current investments in the plan including performance, fees, as well as a breakdown of assets by fund. In addition, there are a variety of reports and tools available to the Agency to understand the strategies used by plan participants.



Plan Information

Fig. 1



Fig. 2

Fig. 3

The plan sponsor website can help you manage your fiduciary responsibilities by providing clear documentation of plan-related events. The document repository vault helps with managing processes and with organizing and archiving documentation and files.

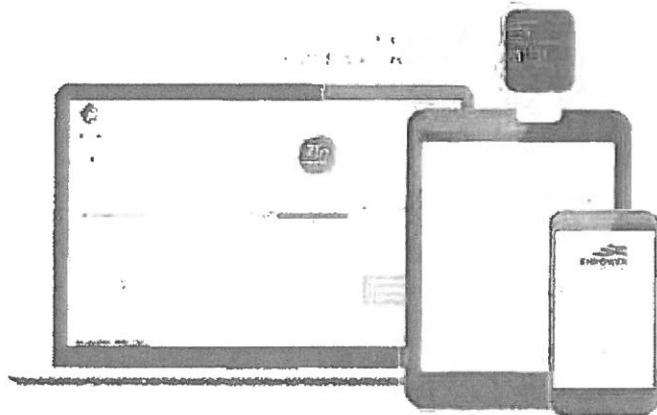
FOR ILLUSTRATIVE PURPOSES									
Document Repository									
Document Name	Document Type	Document ID	Document Status	Document Owner	Document Date	Document Size	Document Format	Document Location	Document Action
Document 1	Document Type 1	Document ID 1	Document Status 1	Document Owner 1	Document Date 1	Document Size 1	Document Format 1	Document Location 1	Document Action 1
Document 2	Document Type 2	Document ID 2	Document Status 2	Document Owner 2	Document Date 2	Document Size 2	Document Format 2	Document Location 2	Document Action 2
Document 3	Document Type 3	Document ID 3	Document Status 3	Document Owner 3	Document Date 3	Document Size 3	Document Format 3	Document Location 3	Document Action 3
Document 4	Document Type 4	Document ID 4	Document Status 4	Document Owner 4	Document Date 4	Document Size 4	Document Format 4	Document Location 4	Document Action 4
Document 5	Document Type 5	Document ID 5	Document Status 5	Document Owner 5	Document Date 5	Document Size 5	Document Format 5	Document Location 5	Document Action 5
Document 6	Document Type 6	Document ID 6	Document Status 6	Document Owner 6	Document Date 6	Document Size 6	Document Format 6	Document Location 6	Document Action 6
Document 7	Document Type 7	Document ID 7	Document Status 7	Document Owner 7	Document Date 7	Document Size 7	Document Format 7	Document Location 7	Document Action 7
Document 8	Document Type 8	Document ID 8	Document Status 8	Document Owner 8	Document Date 8	Document Size 8	Document Format 8	Document Location 8	Document Action 8
Document 9	Document Type 9	Document ID 9	Document Status 9	Document Owner 9	Document Date 9	Document Size 9	Document Format 9	Document Location 9	Document Action 9
Document 10	Document Type 10	Document ID 10	Document Status 10	Document Owner 10	Document Date 10	Document Size 10	Document Format 10	Document Location 10	Document Action 10

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board | P.O. Box 10000, Charleston, WV 25309-0000

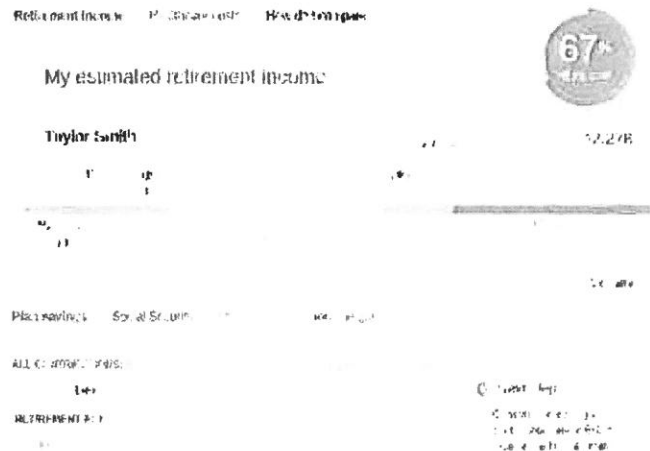
### Participant Website

Employees are encouraged to engage in the participant experience – *anytime, anywhere* – using our proprietary iPhone/iPad and Android app and responsive design technology.



The core of our participant experience uses one's total plan balance and other factors to provide a projected monthly retirement income view – ***My Estimated Retirement Income*** – on the landing page. Immediately upon accessing their account, participants will see what they are on track to receive, how they stack up against their goal and a proposed next step. Our innovative approach to retirement planning connects with participants and inspires them to take action by demonstrating the important link between saving, investing, and their estimated monthly retirement income.

Our intent is to help participants quickly and easily:



- Translate retirement savings and other assets into estimated monthly retirement income.
- Model different retirement age and/or investment mix (stocks and bonds) using easy-to-use interactive sliders.
- Assess the impact of including estimated Social Security benefits in their planning.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board 2014-2015 Public Plan

- Predict the potential income from outside sources, such as IRAs, mutual funds and defined benefit plans.
- Instantly implement changes to their investment mix.

We have found a unified approach is easy for individuals to understand and enable them to take control of their retirement goals. Beyond the individual retirement income projection, our experience incorporates explicit views of personalized healthcare expenses, allows each participant to see how they compare to the top savers in their peer group, provides budgeting and planning information, and more – in one unique experience.

### Social Comparison

Behavioral economics is a powerful motivator to increase savings. Our *How Do I Compare?* functionality shows participants where they stand in progress toward their goal of income replacement, alongside peers and top savers within their demographic profile. This feature provides a comparison personalized by age, salary and gender. Participants can further tailor their results by changing age, salary and gender information.

### Account Service and Transactional Capabilities

The following table details the account service and transaction capabilities available via the [wvteachersdcp.com](http://wvteachersdcp.com) custom participant website.

View Account Information	
<ul style="list-style-type: none"><li>• View account balance</li><li>• Balance history</li><li>• Account summary</li><li>• Current allocations</li><li>• Asset allocation and modeling</li><li>• Deferral</li><li>• Contribution history</li><li>• Personal profile</li><li>• Beneficiary</li></ul>	<ul style="list-style-type: none"><li>• View pending transfers</li><li>• View completed transactions</li><li>• Withdrawals/Disbursements</li><li>• Custom transfers</li><li>• Statements on demand</li><li>• Personal rate of return</li><li>• Quarterly statements (printable)</li><li>• Transaction history</li><li>• Advice and managed account services</li></ul>
Change Account Information	
<ul style="list-style-type: none"><li>• Cancel transfer</li><li>• Automatic rebalancing</li><li>• Forms</li><li>• Distributions</li><li>• Change personal profile</li><li>• Address change, terminated participants only</li></ul>	<ul style="list-style-type: none"><li>• Fund transfers</li><li>• Change PIN</li><li>• Dollar cost average</li><li>• Beneficiary</li><li>• Change username</li></ul>
Investment Options	
<ul style="list-style-type: none"><li>• Fund values</li><li>• Fixed returns</li><li>• Fund benchmarks</li><li>• Online prospectus</li></ul>	<ul style="list-style-type: none"><li>• Fund performance</li><li>• Fund overview</li><li>• Fund values graph</li></ul>
Education and Planning (Retirement Calculators)	
<ul style="list-style-type: none"><li>• Getting started</li></ul>	<ul style="list-style-type: none"><li>• Advice and managed account services</li></ul>

View Account Information

- Distributions and rollovers
- Plan FAQs
- Paycheck analyzer
- Budgeting, planning and day-to-day finances
- E-learning
- Become an educated investor
- Managing money in retirement
- Asset classes and mutual funds
- College planner

Plan Information

- Plan documents
- Prospectuses

Forms (additional forms are available depending on the needs of the plan)

- Beneficiary forms

**Confirmations**

Confirmation statements are generated for all participant transactions. For transactions conducted via the voice response system or a retirement representative, participants receive confirmation numbers at the time of the transaction. We advise participants who conduct a transaction via the website to print their confirmation page immediately after the transaction is completed in order to retain a copy for their records. A confirmation statement is available on the participant website within two business days after the transaction date.

- Describe the quality control procedures in effect, including resolution of data discrepancies, ensuring timely compliance with all provisions of the Plan and government requirements and that all forms and authorizations are complete and on file.

We know our clients are our most important asset, and the following processes help ensure we always provide quality and efficient service.

**Quality Control Program**

We have developed an extensive quality management program over the past 40 years, integrating our broad experience with what we believe are best-in-class methodologies. In addition, we have established standards for employee conduct, service and productivity. Key components include:

- A comprehensive training program.
- Extensive quality control standards and measurements.
- A service request resolution process.
- Extensive audit and reconciliation processes.
- An automated systems environment.

**Recordkeeping Quality Processing**

Our recordkeeping system helps ensure quality processing and immediate transactional validation. A team of administrative staff, systems analysts, programmers and system audit specialists develop and test all upgrades and improvements to the system. We also utilize an experimental database system to analyze all system enhancements prior to incorporating them into our client system, and we perform regression and integration testing to help ensure any enhancements will not adversely affect the existing production system.

## West Virginia Consolidated Public Retirement Board

### Audits

Empower maintains three levels of auditing control for our defined contribution clients:

- Our internal auditing staff monitors all activities on an ongoing basis.
- Our external auditor, Deloitte & Touche, LLP, performs annual independent audits of Empower's operations and financial status.
- We perform annual SSAE 18 SOC 1 Type II audits, which are conducted by Deloitte & Touche. The SSAE 18 audit produces a report on our current policies and procedures and an evaluation of the operating effectiveness of our defined contribution operations.

Our procedures are designed to deliver accurate and consistent recordkeeping through a series of checks and balances. We report the statuses of contributions and transactions as they are received and processed, and our books and records are open to inspection by any government regulatory agency or independent auditor selected by our clients.

### Resolution of Data Discrepancies

Errors detected by our recordkeeping system or errors the plan sponsor has brought to our attention are handled in the following manner:

Type of Error	Resolution
Contributions	Contributions are reversed and reprocessed using the correct effective date.
Withdrawals/distributions (over and under payments)	If the withdrawal is processed with the incorrect effective date, we will reverse and reprocess it. If an overpayment occurs, we ask the participant to return the check. We then reissue the payment and revise the tax reporting. It is not possible for us to pay a participant more than the value of the account. If the payment was too small, we will issue a check for the balance of the requested amount.
Transfers	Transfers are reversed and reprocessed using the correct effective date.
Allocation of earnings	Earnings are automatically adjusted by reversing and reprocessing.
Tax reporting	Tax reporting is automatically adjusted by reversing and reprocessing.

Errors are corrected using a manual or electronic process, depending on the type of error. A manual process is used to correct any effective date issues by reversing and reprocessing. However, fund level balances are corrected electronically based on fund pricing for the correct effective date. Don or Jennah will communicate the resolution, as needed.

### Compliance with Plan Provisions

Our recordkeeping system is a fully integrated participant and trust accounting system. Designed to deliver accurate and consistent recordkeeping, all transactional activity is reconciled and verified as the activity occurs. By performing several levels of audits on every transaction, the system disallows transactions specifically prohibited by the IRS or plan rules.

In addition, Don and the client service team constantly monitor your plan to help ensure it operates within any applicable regulations and guidelines.

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board, 1000 Capitol Building, P.O. Box 1000, Charleston, WV 25301-1000

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### Forms and Authorizations on File

Retirement representatives have access on the imaging system to documents received from participants, the plan sponsor, and the administration team. All forms received via paper or fax format are scanned into our enterprise content management (ECM) system upon receipt. The information is stored online on magnetic disk drives as well as near-line optical libraries. Once imaged, the documents are routed into our workflow management process for paperless processing. All authorized staff members, including our retirement representatives, can access these documents when necessary. We can also retrieve images of quarterly statements and employer plan summaries from the same imaging system. The imaged information is maintained for seven years.

- Provide sample forms used for withdrawals, non-financial information, beneficiary designation and other applicable forms.

Please see sample forms in the Exhibits section.

- Describe how your system processes and the time requirements for:
  - Contributions Distributions (lump sum and other)

#### Contributions

Contributions are processed through the plan sponsor website or through our alternative payroll solution the Payroll Bridge™ Program, which allows for discrepancies to be quickly addressed and helps reduce processing errors.

As payroll information is transmitted, our recordkeeping system validates transaction instructions, automatically reconciles payrolls and checks for any amounts that cannot be processed. You'll receive immediate notification of any possible rejection and you'll have the opportunity to clear these items or remove them from the payroll as desired. The result is faster and more efficient processing and immediate confirmation of amounts processed.

Once payroll transmission is reconciled you can initiate funding through Automated Clearing House (ACH) credit. We require payroll funding to be received before contributions are posted to participant accounts. ACH credits received prior to market close are processed the same day. ACH credits received after 4 p.m. Eastern time are processed the next business day.

#### Lump-Sum Distributions

Lump-sum distribution requests are processed based on plan rules. When requested, the recordkeeping system verifies the participant's information and determines share prices. Requests submitted through the participant website or by phone are processed the same business day if received by 4 p.m. Eastern time or the next business day if received after 4 p.m. Eastern time or on a non-business day.

When the recordkeeping system completes the withdrawal it automatically calculates the appropriate state and federal withholding. The distribution check and confirmation are mailed within two business days. Funds distributed electronically via ACH are received within two business days. A security alert (text and/or email notification) is sent to the participant for all disbursement requests.

#### Rollover

Participants who have separated from service can initiate their rollover distribution via the participant website. All rollovers become effective the date we receive the proper documentation. If the distribution is a direct rollover to another qualified plan, the proceeds are not taxable. Rollovers are coded with special identifiers indicating the contribution is a plan-to-plan transfer and that it is fully vested.

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Plan for the West Virginia Consolidated Public Retirement Board

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Participants can also roll over a retirement account into a qualified plan offered through another provider by completing a distribution request. The participant, alternate payee or surviving spouse is responsible for determining whether the distribution qualifies for rollover treatment and for completing the rollover process.

The participant is provided with the required 402(f) notice when the disbursement is requested. The plan sponsor can approve the request electronically through the plan sponsor website or allow us to process distributions without plan sponsor approval. Upon approval, the distribution is processed effective the same business day (if the request was received prior to market close), and we send a check to the participant at their address of record.

### Periodic Payment

The periodic payment option allows participants to keep their current fund options and interest rates while they receive payments on a periodic basis. All investment options may be used, or the participant can designate the specific fund from which payments will be made. Participants can transfer funds, as well as change the investment options from which payments are being made, at any time. However, if a specific fund is designated and distributions deplete the fund, our recordkeeping system will automatically begin payments on a pro-rata basis across all investment options unless the participant designates another fund.

Participants can designate the dollar amount they wish to receive on a regular installment basis. Periodic payments can be made monthly, quarterly, semiannually or annually. Participants can select their own distribution date as long as it is not the 29th, 30th or 31st of the month as some months do not contain these dates. Payments to the participant will continue until the account balance is zero.

### ○ Annuities

As an insurance company, we offer annuities to participants that are covered through a Great-West group fixed and/or fixed and variable deferred annuity contract. Upon a qualifying event, plan balances may be distributed and a fixed annuity purchased directly from Great-West. Many different types of annuity options are available to participants. Annuities are paid in monthly, quarterly, semiannual, or annual payouts depending on the payout option selected, and are taxable to the participant at the time of the distributions. We also provide annuity purchasing options through MetLife and Mutual of Omaha for the Agency's participants.

In addition, Empower is currently working with an annuity service platform provider to establish a direct relationship between our platform and their service offering as required licensing of entities allow.

### ○ Required minimum distributions (age 70½ and death)

To assist participants with required minimum distribution (RMD) obligations, our recordkeeping system generates a report that identifies participants who are reaching age 70½. We send a letter explaining the requirement and necessary steps during the third quarter to all participants who will reach age 70½ in the upcoming year and who have not elected a fixed annuity or a periodic payment as mandated by the RMD. Participants may request their RMD through the participant website, via a form or by speaking to a retirement representative.

If the plan is able to provide required information, we can offer an automated distribution of the RMD if the participant does not respond to our notification.

Additionally, if the plan offers lifetime installment payments, participants may elect automated RMDs by completing the Automated Minimum Distribution Request Form and receive the required payment monthly, quarterly, semiannually or annually.

Prior to processing the RMD, we request verification of the separation from service date. A security alert (text and/or email notification) is sent to the participant for all disbursement requests.



## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board - 2017-2018 Annual Report

- Describe how you ensure accurate conversion of all historical data.

As the incumbent provider, conversion of historical data is not applicable. However, when applicable, we transfer historical records based on the data provided by the prior recordkeeper. We complete an audit for reasonableness of the conversion data before proceeding with the transfer of historical data. We provide the conversion data for your review and approval prior to completing the conversion.

We perform several audits during conversion. We will obtain a number of test files from the prior recordkeeper, and review them to determine if any data is missing, appears incorrect, or is difficult to understand. We then set up conference calls with the prior recordkeeper to discuss the data.

We also perform tests and audits on the data by examining items such as:

- Social Security numbers
- Name fields
- Complete addresses
- YTD pre-tax contributions
- Amounts available for hardship
- Hardship suspension dates
- Subsets
- Dates of birth
- Dates of hire
- Prior-year pre-tax contributions
- Termination dates

Testing results are provided for the plan sponsor's review.

We also review payroll files during conversion and conduct test payroll uploads to verify the data transmission is working properly prior to the plan's go-live date.

The final step in the transition is reconciling the final records and assets. This process includes a balance of participant records, the prior recordkeeper's fund level balances and the fund balances provided by the fund houses and trustee. We'll provide the reconciliation for your review and approval prior to the plan opening.

- Describe how your systems address member vesting.

Our system can support an unlimited number vesting schedules including different money sources within a given plan, vested amounts or percentages that have been grandfathered, vesting schedules for different employees and vesting schedules for employer versus employee funds.

Vesting rules are stored in our system and requested withdrawals are processed according to contribution type. Any non-vested money is deposited into a forfeiture account for the plan or is refunded.

We currently support the Agency's 12-year vesting schedule.

- Discuss the ability of your system to separately track employer and member pre-tax and post-tax contributions.

Our recordkeeping system can track after-tax, pre-tax and employer dollars separately, provided the Agency identifies the different money types when the contribution reports are submitted. After-tax monies are invested into a unique source code set up within the plan.



- Describe your procedures to ensure Plan activity is posted daily and that ending balances are reconciled on a daily basis. Do you use share or unit accounting for daily valuations? Does the daily valuation accounting involve estimation? If so, how often are accounts reconciled?

#### Daily Valuation

Our recordkeeping system and all personnel-completed transactions undergo detailed quality assurance audits. Investment option values are calculated at the close of each business day based on data provided from each underlying mutual fund family.

Once calculated, they are entered into our system, and each participant's balance is updated with the day's unit values. This daily valuation ensures that participant accounts are balanced and reconciled daily.

Because our recordkeeping system is server-based and not mainframe-based, updated participant accounts and balances are available the same day.

#### Unit or Share Accounting

Our recordkeeping system values accounts daily based on the current day's unit or share values. Unit values are determined using the underlying market values of securities, including any capital gains, accrued interest and dividends earned. For fixed-income investments, the interest rate declared for a specific period is also credited daily.

- Describe your procedures for communicating purchase and sale directions (e.g., investments, transfers, withdrawals, and rollovers).

Controls are in place to help ensure our recordkeeping system's trade activity files agree with the investment trade orders placed with fund houses. Prices are obtained from two sources on a daily basis and compared for accuracy within the proprietary pricing module. Discrepancies are researched and immediately resolved. Final reviewed prices are uploaded into the recordkeeping system daily for valuation of participant accounts. We utilize the Delta Data Software - FundLinx as its trading platform. This system is fully integrated with our recordkeeping system.

The following activities occur as part of the exchange:

- Participant activity is updated on the recordkeeping system once prices are loaded from the proprietary pricing module and activity is passed to FundLinx.
- Pending activity is accounted for in suspense accounts. General ledger trading suspense accounts are monitored on a daily basis. Any trading activity that has not cleared between the recordkeeping system and FundLinx is systematically identified and aged within Systems Applications and Products (SAP). Outstanding items are researched and resolved in a timely manner.
- Trades are systematically passed from the recordkeeping system to FundLinx. FundLinx rolls trades to appropriate levels, creates and transmits NSCC trade files, fax trades, and other electronic trade files.
- All trades are confirmed on a daily basis. National Securities Clearing Corporation (NSCC) trade confirmation files are systematically loaded, success/failure acknowledgements are received for other electronic files as well as fax transmittals. Any late confirm or rejects are researched and resolved in a timely manner.
- All account positions are loaded daily into FundLinx for reconciliation. We use an exception-based, three-way reconciliation and any variances over a pre-determined threshold are researched, documented, and resolved in a timely manner.
- Bank accounts are reconciled on a daily basis within the proprietary banking and accounting module, ensuring trade activity is settled into the correct accounts. Aged outstanding items are researched and resolved in a timely manner.

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board - CPFB (2017) CP190-001100

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- Describe what information you maintain in a participant's account record.

Our recordkeeping system currently stores the following current and historical data on participant accounts for the Agency:

- |                                                 |                                             |
|-------------------------------------------------|---------------------------------------------|
| • Name                                          | • Address                                   |
| • Social Security number                        | • Date of birth                             |
| • Fund balance and transaction activity/history | • Allocation information/allocation history |
| • Transfers/transfer history                    | • Contribution history                      |
| • Withdrawals/withdrawal history                | • Beneficiary                               |
| • Years of service                              |                                             |

In addition, we could also store the following:

- **Email Address and Phone Number** - When a participant has an email address or phone number on their account, it allows the participant to register their account or reset their password independently, creating a more user-friendly experience.
- **Gender and Marital Status** - The participant Lifetime Income Score<sup>SM</sup> (LIS) calculation includes the participant's gender and marital status. Having this information added to the participant's account gives Empower the ability to calculate a more personalized income score.
- **Discuss how you conduct the allocation of contributions among investment options and reconciling individual participant contributions in accordance with the Plan's requirements and parameters, including a timeline of the process, time requirements on the receipt of NAV information and confirmation of the receipt of funds.**

### Posting Contribution to Participant Accounts

Payroll process example in business days:

**Day one:** A contribution file in good order is received and processed, and notification to client for funding request has been sent.

**Day two:** The ACH credit is received prior to 4 p.m. Eastern time. The payroll contribution shows as pending in participant accounts, shares are purchased during the nightly cycle and participant accounts are credited with that day's closing market value.

**Day three:** Participant accounts reflect shares purchased as of the prior business day's close.

An ACH credit received after 4 p.m. Eastern time receives the following business day's price.

### Receipt of NAV Information

After market close, we receive the net asset values (NAVs) from the fund houses. After the NAVs are entered into our system, the system summarizes participant transactions and creates a net buy/sell trade ticket for each fund. The trade tickets are sent to the fund houses in a variety of methods the same evening and settlement occurs the following business day. We also calculate the daily unit values for the custom profile funds.

A fund manager is responsible for making decisions related to any portfolio of investments (often a mutual fund, pension fund, or insurance fund), in accordance with the stated goals of the fund. We can calculate the daily NAV for separate accounts in a similar manner to the methodology used for mutual fund NAVs. We do so by valuing the underlying securities using one of our pricing services. Daily cash flow is taken into account. The value of the portfolio is rolled up and divided by the outstanding shares. Income and expenses are typically included in the NAV.

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Report for the 2022-2023 Fiscal Year

### Confirm Receipt of Funds

We have deposit detail reports available via the plan sponsor website ad hoc reporting functionality for review to help ensure the accuracy of all financial information submitted.

- Discuss error corrections for:
  - Contributions
  - Withdrawals/Distributions (both over- and under-payments)
  - Transfers
  - Allocation of earnings
  - Tax reporting

State if error processing is manual or electronic.

Errors detected by our recordkeeping system or errors the plan sponsor has brought to our attention are handled in the following manner:

Type of Error	Resolution
Contributions	Contributions are reversed and reprocessed using the correct effective date.
Withdrawals/distributions (over and under payments)	If the withdrawal is processed with the incorrect effective date, we will reverse and reprocess it. If an overpayment occurs, we ask the participant to return the check. We then reissue the payment and revise the tax reporting. It is not possible for us to pay a participant more than the value of the account. If the payment was too small, we will issue a check for the balance of the requested amount.
Transfers	Transfers are reversed and reprocessed using the correct effective date.
Allocation of earnings	Earnings are automatically adjusted by reversing and reprocessing.
Tax reporting	Tax reporting is automatically adjusted by reversing and reprocessing.

Errors are corrected using a manual or electronic process, depending on the type of error. A manual process is used to correct any effective date issues by reversing and reprocessing. However, fund level balances are corrected electronically based on fund pricing for the correct effective date. Jennah or Don will communicate the resolution to the plan sponsor, as needed.

- Describe your procedures for reconciling the plan depository investment accounts and the information and statements that you will provide to the Agency.

Our proprietary recordkeeping system is a fully integrated participant and trust accounting system. This integration helps to ensure that all participant accounts are validated, fully balanced and reconciled with the trust prior to generation of trust reports. In addition, all transactional activity is reconciled and verified as the activity occurs.

- Describe the procedures and time required for your company to transfer all or a portion of a participant's account balance in an investment option to another investment option. Give any minimum time guarantees you provide as well as your company policy on retroactively correcting any erroneous transfers. Affirm that if an erroneous contribution is due to your company's error, you will make the participant whole at your company's (and not the Plan's) expense, unless the adjustment would not be beneficial to the participant. Provide a complete timeline, including the terms and conditions under which you can provide a transfer at that day's purchase price. State if your system will process the transfer of account balances by percent and by dollar amount.

#### **Fund to Fund Transfers/Timeline**

Requests received in good order before market close are processed the same business day. Requests received after market close are initiated the next business day. A confirmation is generated following any transfer or exchange.

#### **Error Correction**

Transfers are reversed and reprocessed using the correct effective date.

#### **Affirmation**

We maintain an account resolution staff to identify data errors, modify accounts, and help to ensure complete and accurate information. In the event an error is detected, the account resolution personnel can accommodate retroactive adjustments (generally, we will go back one statement period) to the participant's account. A complete history of participant transactions is maintained and can be reversed and reprocessed as needed.

If we, as the recordkeeper, make the error, Empower will bear the net loss to correct the error by putting the participant(s)/plan back in the financial position where they would have been had the error not occurred. This may be handled as a retroactive reversal, when possible, but may also be handled at our discretion with current day adjustments to participant accounts, depending on the amount of time that has passed since the error occurred and/or the feasibility of reversing the original error due to subsequent transactions on the participant accounts impacted.

There is no specific time amount limit for us to make a correction, however we use our discretion to determine whether a retroactive correction is feasible or whether a current day adjustment is necessary to enable corrections be made within reasonable timeframes. In addition, there is no maximum amount we will be liable for to correct any error made by Empower as the recordkeeper.

For situations not within our control, we will evaluate these on a case-by-case basis to determine and recommend an appropriate adjustment method and work with the responsible party (plan, payroll vendor, etc.) when making the necessary corrections and to help ensure the plan is made whole, assuming the responsible party agrees to accept liability for the error.

#### **Transfer Account Balances**

A participant may make an exchange or transfer to their investments by dollar and/or percentage increments, or they may rebalance their entire account balance using whole percentages.

- Discuss how fund transfers are executed.

Participants can initiate transfers 24 hours a day through the participant website, the voice response system, or with a retirement representative via our toll-free number during business hours. The recordkeeping system automatically processes the request according to plan rules.

There are no limits to the frequency of transfers or exchanges unless imposed by the plan or fund company. If the plan does not impose limits, participants can transfer between investment options daily. Requests received in good order before market close are processed the same business day. Requests received after market close are initiated the next business day. A confirmation is generated following any transfer or exchange.

- Discuss time cutoffs for investment companies in order to have contributions invested.

Contributions received from the plan sponsor are invested the same business day when received in good order prior to market close.

- Describe how you expect to process participant changes in investment elections.

As previously detailed, participants can initiate transfers 24 hours a day through either the participant website, the voice response system, or with a retirement representative via our toll-free number during business hours. The recordkeeping system automatically processes the request according to plan rules.

There are no limits to the frequency of transfers or exchanges unless imposed by the plan or fund company. If the plan does not impose limits, participants can transfer between investment options daily. Requests received in good order before market close are processed the same business day. Requests received after market close are initiated the next business day. A confirmation is generated following any transfer or exchange.

- Describe your processes for maintaining up-to-date beneficiary information.

Participants accessing the website are asked for beneficiary designations if one is not already present.

It is possible for participants to update their beneficiary when accessing the website. Presently, participants update their beneficiary information by sending a beneficiary form directly to the Agency. The Agency updates that information and shares the information with Empower.

To help remind participants about maintaining proper beneficiaries, we can provide targeted messaging using:

- Participant website: On-screen messages prompt participants to update beneficiaries upon log-in.
- Quarterly statements: Broadcast messages via quarterly participant statements encourage participants to update their beneficiaries via the participant website.
- Participant services center: Retirement representatives are available to answer questions and offer guidance with updating beneficiaries online or completion of the Beneficiary Designation form.

In addition, targeted campaigns, including emails, a mailer and web messaging, can be sent directly to participants without beneficiaries on file. These messages are used to solicit beneficiary elections from participants. Participants can then make changes via the participant website if the Agency chooses to allow this, or by completing a paper form, which is available online or can be requested by speaking with a retirement representative.

We mailed beneficiary forms, along with a flyer, to participants without a named beneficiary on file. Of the participants targeted, 9.2% took action by returning their beneficiary form to the Agency. We also included beneficiary forms in the fourth quarter 2018 statements. Beneficiaries will continue to be a focus through 2019.

- Discuss how you process QDROs and what you provide to members and alternate payees

We perform ministerial duties of gathering information for Qualified Domestic Relations Order (QDRO) processing and segregations. The plan sponsor determines the qualified status and approves or denies the QDRO. This service is offered with no additional charge.

- Review of proposed orders from an administrative perspective and forward our comments to the plan.
- Review of final orders to determine if there is sufficient information necessary for processing once the plan has determined the order is acceptable and has provided processing instructions.
- Access to an Operations Support Services representative who can explain the QDRO process and answer questions related to the services we provide for participants, attorneys, and alternate payees who telephone client service.
- Calculation of the amount due the alternate payee for the periods for which we were the recordkeeper.
- Establish an account for the alternate payee as specified by the plan and the order.
- Provide confirmation letters to both parties upon completion of the process, with a copy to the plan administrator.
- Provide a passcode to the alternate payee.

If the Agency no longer wishes to be part of the QDRO process, Empower can perform all of the procedures listed above and perform the following additional services for a fee of \$250 per approved QDRO.

- Issue a plan pre-approved Empower QDRO Model order.
- Review a proposed order to determine whether or not it will be acceptable once entered by the court.
- Determine whether or not a filed order is materially similar to the plan's pre-approved model order.  
Note: If the order is rejected because it is not materially similar to the plan's pre-approved model order and the parties appeal the denial, the plan is responsible for handling the appeal.
- Discuss your system edit process for:

- Member and employee contributions, both by source and investment

We have edits built into the payroll processing system. When the payroll file is uploaded into our system, the system will verify several pieces of information such as:

- Do we have an account established for each participant/employee on the payroll file? If no, then an account will be established, the contribution will be defaulted to the default fund, and a letter will be sent to the participant to have them establish allocations.
- The system will verify Social Security number (SSN) to name. If we already have an SSN on our system and it is tied to a different name, an error message will occur.
- If the plan is sending in a contribution for a participant that has a termination code, a message will appear to ask if the plan wants to process the contribution as a trailing contribution or remove the participant from the file.
- The system is programmed to accept address and status code updates through the payroll file as well.

There are many edits such as these built into the system, and these edits keep the data clean and error free.



## West Virginia Consolidated Public Retirement Board

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- **Applications and changes in status**

Our recordkeeping system conducts numerous edits to help ensure the accuracy of participant changes in status. Each field is programmed to accept only information that corresponds with the specific field. For example, only a nine-digit Social Security number is accepted and state abbreviation must be two characters from a list of values. All mandatory information, such as name, address, Social Security number, birth date, etc., must be entered before the transaction is accepted. We will contact either the employer or participant directly to obtain any incomplete information prior to entering the information in our system. Once the information is updated in our system, a confirmation documenting the new or changed information is issued.

- **Vesting/Service**

The recordkeeping system will automatically calculate vesting based on the vesting definition outlined within the plan document. Manual calculation is not required. When the plan's vesting definition is an hours-based requirement, the plan sponsor can select to increase vesting at plan year end or on the participant's anniversary date.

- **Transfers**

Our system conducts numerous edits when processing transfers. When a transfer request is received, the system checks to help ensure that only requests that are acceptable by the IRS code and by the plan document, are accepted and processed. The system also checks for transfer restrictions or equity wash.

- **Withdrawals/Distributions**

Our system conducts numerous edits when processing distributions. When a distribution request is received, the system checks to help ensure that only requests that are acceptable by the IRS code and by the plan document, are accepted and processed.

- **Tax forms, e.g., 1099Rs**

The recordkeeping system transmits all reportable tax transactions to the tax reporting system on a daily basis. The imported data is verified to control totals (e.g., total number of records, total dollar amounts) provided by the recordkeeping system. Furthermore, withholding amounts passed from the source system to the general ledger are reconciled to those passed to the tax reporting system.

- **Provide samples of the type of edit reports that would be issued for these types of transactions**

Because edits are handled as they are found directly by the appropriate department, we do not maintain an overall edit report.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board, Office of the Public Retirement Board

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- Discuss the training you will provide to Agency staff in the use of the vendor system, and provide an administrative manual with complete instructions on how to access and view such information and how to troubleshoot routine problems, and making available a representative to assist Agency staff in correctly obtaining access to the database and generating reports. Describe the capabilities and qualifications of that individual and what steps your firm will take in order to ensure that Agency staff can obtain resolution to problems on a timely basis.

### Training

A complete training session can be conducted for the client's benefits personnel. This training session includes:

- How to remit contributions through the plan sponsor website
- How to generate reports and look up data on the plan sponsor website
- How to use participant support services (website, voice response system, etc.)
- Key investment option features

Updates can be provided at least once a year. Don and Jennah will be in contact with you and will accommodate training needs for new staff.

We can also provide an annual staff update. This session not only includes technical training, but also a legislative update and best practices session where we share policies and procedures used by other similar plans. It has been our experience that this combination of training provides a complete program to keep the client staff on the forefront of defined contribution issues in the public sector.

Some of the current fiduciary and fund training topics include:

- Market timing prevention procedures
- Plan sponsor fiduciary responsibility
- Fund performance review and monitoring
- How to evaluate advice and guidance services
- Legislative updates
- Trends in plan design and services

In addition, on an as-needed basis, we provide electronic legislative alerts to keep them advised on legislative and regulatory developments that impact employer-sponsored retirement plans. Your staff will also have access to a plan appropriate newsletter distributed via email. Our plan sponsors may also participate in our regular webinars, which discuss a wide range of topics every few months.

### Administration Manual

The proprietary design of our rules-based recordkeeping system allows Empower to achieve an unparalleled degree of system integrations enabling us to link the plan's administrative parameters and plan-specific forms to the various technology channels we deploy. For example, our plan sponsor website is user friendly and offers a unique combination of simplicity, sophistication, and performance. Most administrative users are able to navigate and utilize the system's features after minimal training.

The plan does not currently use an administration manual, however, we are happy to discuss the creation of an administration manual for the Agency.

Please see a sample Administration Guide in the Exhibits section.



## West Virginia Consolidated Public Retirement Board

Consolidated Retirement Plan 2017-2018 Annual Report

### Troubleshooting

Our plan sponsor website is available to users 24 hours a day, seven days a week, and live support is available during normal business hours.

We have a designated team of professionals that support our clients with using the plan sponsor website. Our plan technical support helpline is staffed from 8:30 a.m. to 6 p.m. Eastern time, Monday through Friday, excluding financial market holidays. Additionally, plan sponsors can send email inquiries to [PTS\\_CallCenter@retirementpartner.com](mailto:PTS_CallCenter@retirementpartner.com), and receive a response within one business day. Online tutorials are available on the plan sponsor website to assist with any remittance questions, file downloads, and other transmission information.

### Representative

Jennah, your senior CSM, has expertise in the day-to-day operations of a variety of large government plans. She also collaborates with other members of the service team and other functional areas to facilitate resolutions for issues.

### Issue Resolution

In order to help ensure the plan can obtain resolution to issues on a timely basis, Jennah will serve as the single point of contact for all administrative and operational issues. She will work with Don to help ensure all issues are resolved in a timely manner.

- Describe the arrangements under which your firm will provide the Agency staff on-line access to Plan reports and records. Describe the data that will be available to staff and provide copies of the data screens that staff will view. Indicate if you will apply or are capable of applying different restrictions to different accessing parties.

We provide a number of reports to help you and your staff get the most out of your plan.

### Retirement Readiness and Plan Analytics Functionality

Unlike retirement plan measures that focus on baseline information (e.g., participant data and contributions), our plan sponsor reporting focuses on helping every employee pursue a better financial future. In addition to the standard reporting functions listed below, we provide access to a Retirement Readiness report. This calculation will present the Agency with detailed information specific to each employee's retirement savings progress.

You have access to three data visualizations designed to help improve the overall health of the plan. You can filter visualizations by demographic (such as location, division, job code, union or non-union or any other defined plan segments), as well as by age, salary, gender and tenure.

The data visualizations include:

- **Lifetime Income Score** – Measures each employee's retirement readiness, which provides you a snapshot of the overall health of the plan.
- **Investment strategy** – Illustrates participant balances grouped by their investment strategy (i.e., target date funds, risk based, asset allocation model, managed accounts and do-it-yourself)
- **Participant web statistics** – Provides a rolling 12-month look at web statistics (such as page visits made), separated by desktop, mobile and tablet access

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board, 1000 Capitol Mall, Charleston, WV 25301

### Plan analytics



The goal of the data visualizations is to give you the tools to identify employees who could be getting more out of the plan so you can direct communications to those segments.

### Plan Review

The Plan Review is a customized progress report used strategically to help enhance participation, education, asset allocation and retiree outreach. The Plan Review may include the following:

- Asset allocation
- Participant activity
- Distributions
- Strategic Plan Summary (if applicable to the plan)
- Pre-tax contribution rates
- Plan assets
- Plan utilization
- Contributions
- Single investment holdings by age

### Strategic Partnership Plan

The Strategic Partnership Plan contains a comprehensive range of measurements for key services that enables the Agency and Empower to prioritize planning initiatives. This tailored reporting package may include the following:

- Goals and results
- Plan accomplishments
- Participant summary
- Current products and services
- Communication plan
- Plan events and industry updates
- Resources and messages to assist in financial decisions
- Investment review
- New product offerings

The Strategic Partnership Plan, combined with our Plan Review, provides the tools to strategically evaluate the plan's performance and capitalize on data trends.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board 2011-2012 Annual Report

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### Quarterly Investment Review

The Quarterly Investment Review provides a variety of statistics used to monitor and evaluate the plan's investment lineup. This report includes a Capital Markets Review, as well as information on each fund's performance, expenses, asset allocation, and style consistency.

### Employer Plan Summary Report

This end-period reconciliation summary outlines the following:

- |                                              |                                           |
|----------------------------------------------|-------------------------------------------|
| • Beginning balance                          | • Ending balance                          |
| • Net contributions                          | • Withdrawals                             |
| • Transfers into investments                 | • Transfers out of investments            |
| • Earnings                                   | • Interest (fixed return funds)           |
| • Expenses                                   | • Investment option summary               |
| • Summary of dollar activity                 | • Summary of unit/share activity          |
| • Breakdown of activity by money type        | • Contribution history detail             |
| • Each participant's account summary         | • Distributions detail                    |
| • Refund activity                            | • Annuities and periodic payments summary |
| • Breakdown of activity by contribution type |                                           |

### Online Reports and Information

Authorized Agency staff can access on-demand plan and participant reports anytime. This comprehensive library of ad hoc reports can be customized to highlight trends and is designed to provide the Agency the analysis and perspective needed to help ensure the ongoing accuracy of plan administration.

Authorized staff will be able to search for existing employees and edit employee information. The changes made online update the recordkeeping system.

Please see the Plan Service Center Overview in the Exhibits section.

The plan sponsor website allows for view only or restricted access for the Agency's employees. Controls exist within our recordkeeping system and the plan sponsor website to restrict data access and transactional capabilities. Common security tables and modules help ensure users only access transactions and data for which they are authorized. The mechanism used to define data access is based on roles. Roles are defined for particular job functions, and users are associated with one or more roles. These application security measures can be used to restrict access to the appropriate data for both client and participant access.

## West Virginia Consolidated Public Retirement Board

Board of Directors: Robert C. Hays, Chairman, 2015-2018; 2019-2022

- Indicate what legal and advisory services you will provide the Agency in administering its Plan in conformance with the appropriate laws and regulations. Indicate how you will review and inform the Agency of changes in the law and regulations and current legislation potentially impacting the Plan.

Legal support services we can provide include:

- Legislative updates
- Plan governance resource to answer plan-related questions
- Regulatory updates
- Plan documents
- Plan sponsor educational seminars
- Webinars
- Alternative plan designs

Don can demonstrate alternative plan designs, which may improve plan results, with our PlanVisualizer™. By uploading anonymous participant data for age, account balance, salary and deferral rate, PlanVisualizer identifies which individuals and demographic groups are most prepared and which are least prepared for retirement. Further, it models and visually depicts how changes to retirement plan design (i.e., company match) may improve participant retirement readiness and the potential impact to plan costs.

We will provide regular and periodic communication, participant education and investment guidance services and continued plan sponsor support in evaluating and optimizing plan performance. While we cannot provide legal or tax advice to plan sponsors or participants, we provide consulting services to the Agency through our Plan Review and our Quarterly Investment Review reports and Plan Analytics functionality through the plan sponsor website.

Additionally, we carefully monitor the program and any changes to the regulations that may affect your plan. Should a change be necessary, we will work closely with the Agency to recommend and implement the required change with minimal impact to plan participants.

- Discuss how you regularly gather the contribution and compensation data necessary for Section 415(c) IRC limit testing.

Although compliance testing is not required for non-ERISA 401(a) plans, we provide monitoring and reporting for 415(c) annual additions limitation compliance at the end of each plan year.

Once the final contribution has been submitted, the total contribution amount is reviewed by our system for each participant. If the contributions are more than the annual additions limit for a given participant, we advise the plan sponsor of this overage through a warning message via the plan sponsor website, assuming the contribution was processed through this application, to help ensure compliance with the regulation. The plan sponsor can then run reports through the plan sponsor website to take corrective action.

- Describe and provide a sample of the administrative procedures and policies manual outlining all the administrative requirements as well as sample forms and instructions.

As previously detailed, the proprietary design of our rules-based recordkeeping system allows Empower to achieve an unparalleled degree of system integrations enabling us to link the plan's administrative parameters and plan-specific forms to the various technology channels we deploy. For example, our plan sponsor website is user friendly and offers a unique combination of simplicity, sophistication, and performance. Most administrative users are able to navigate and utilize the system's features after minimal training.

Due to the custom services Empower is providing, the plan does not currently use an administration manual; however, for illustrative purposes, please see a sample Administration Guide in the Exhibits section.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement System (CPRS) Audit Report

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- Describe how you handle audit documentation where paperless processing has occurred.

The system maintains an audit trail, including the user responsible for the activity, for all account updates done via the participant website, our voice response system, or the plan sponsor website. Original values are stored when there is a business or legal requirement to do so. In addition, detailed user navigation activity on our participant and plan sponsor websites and voice response system is logged with a date/time stamp. This information is rolled up for statistical purposes and can be used to reconstruct a participant session. The initial access and any information updates are retained on a more permanent basis.

Plan sponsors have access to user navigation activity through the plan sponsor website. Voice response system information is available through report generation. Participant website activity can be viewed as part of the plan analytics functionality on the plan sponsor website. This specific data visualization provides a rolling 12 months look at web statistic, page visits made, separated by desktop, mobile and tablet access.

- Describe the ability of your recordkeeping system to preclude new membership unless specifically authorized by the TDC Plan.

Our system proactively tracks all eligible employees, including first day of the month eligibility and those who have not been contributing.

To preclude new membership, unless specifically authorized by the Agency, we do not currently offer participants an enrollment form and we have turned off online enrollment services. The service team is aware of the plan provisions and if a participant were to call in to enroll, a member of the service team would inform the participant that no new enrollments are permitted.

- Describe how you will ensure your recordkeeping system will allow TDC Plan staff to modify non-financial members' records, including:

- Annual service credit and compensation
- Transferred service credit from the TRS Plan
- Employment history
- Synoptic data, including notices and flags
- Date of Hire and Termination

The contribution file submitted by the plan contains participant indicative data, contribution data, and census data. This data can be sent in the same file or in separate files. Once the contribution file is uploaded into the online administration system, the indicative data of each participant is checked against the data stored on our database. Any new indicative data on the contribution file will overwrite the data stored on our database. Any changes on the employer file, including name and address, will update the employee's information on our system.

In addition, the Agency will utilize the plan sponsor website for administering the plan. The website offers secure and immediate access to plan information. The point-and-click, user-friendly interface makes the site easy and convenient to use and provides the plan sponsor with the capabilities to perform the following functions:

- View and manage plan and participant information
- Process payroll contributions
- Generate and print reports
- Obtain forms and documents
- Manage distribution processing

For additional information on the plan sponsor website's capabilities, please see the Plan Service Center Overview in the Exhibits section.

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board - 2019-2023 Strategic Plan

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- TPA recordkeeping system must accept an outbound (CPRB to TPA) file interface daily and provide an Inbound (TPA to CPRB) file interface weekly in a file format that can be easily transmitted between systems and approved by the Agency.

As the current provider, our recordkeeping system is currently receiving files from the Agency's system to process incoming contributions.

We are happy to explore alternative file options that the Agency may be interested in.

Empower offers a suite of contribution processing options that are available through the plan sponsor website:

**Guided Payroll** – is ideal for smaller companies that may have limited payroll administration resources and do not have a relationship with a national payroll provider. Guided Payroll allows a plan sponsor to add new employees and update existing employees while processing their contributions within the plan sponsor website and without the use of a file. We validate against the rules of the plan and provide notification messages to the plan sponsor if we are missing any required information needed to support their plan features.

**Payroll Data Interchange (PDI)** – offers a more robust option and is designed for plan sponsors that have both the capability and capacity to produce their own payroll contribution file that can be remitted electronically.

Please see the PDI Data Requirements in the Exhibits section.

**Payroll Bridge** – is geared toward plan sponsors looking to minimize payroll contribution administration by having their established national payroll provider remit contributions directly to us. Payroll Bridge creates a streamlined, seamless payroll interface solution, enabling us to work directly with a payroll vendor for the electronic transmission of indicative payroll information, including payroll contributions.

For all options, remitting payroll contributions is easy. The plan sponsor website is linked directly with the plan sponsor's bank account, which allows the contributions to be automatically transmitted by ACH at the end of the contribution process, as initiated by the client.

- Indicate whether your record keeping system is owned by your company or subcontracted from another organization. If your company owns the system, was it originally purchased from an outside vendor? If so, from whom? Is your company allowed to modify the system? If the system was not purchased, when was it first put into place and last updated?

Our proprietary recordkeeping system was internally designed and developed, so we have tremendous flexibility in making system changes and improvements. Our dedicated IT staff is responsible for maintaining and enhancing our recordkeeping system and we bear the responsibility for the system's adherence to all applicable laws and regulations and in meeting the needs of our clients.

We have been using our proprietary recordkeeping system for defined contribution and deferred compensation plans since 1991.

We perform scheduled upgrades five times per year. Our last release was June 2019.

- Describe any pending system changes and proposed implementation dates. If the system is subcontracted, provide details of the arrangement and the name and qualifications of the organization.

Our recordkeeping platform does not have any future scheduled conversions; however, we enhance our system in accordance with the annual business plans.

As previously detailed, we perform scheduled upgrades five times per year.

Although the number of system changes varies for each release, the enhancements typically include:

- Plan requests
- Industry trends
- Regulatory compliance requirements
- Business and technical infrastructure improvements
- Functionality that allows us to continue offering competitive services
- **How many individual defined contribution participant accounts are on your record keeping system?**

As of March 31, 2019, there are 8,820,318 defined contribution participants on the recordkeeping system.

- Describe in detail any specific problems you foresee incorporating the TDC Plan into your record keeping system.

As the incumbent provider, we do not foresee any problems maintaining the plan on our recordkeeping system.

- Describe your company's system maintenance, back up, security and disaster recovery procedures. Are files archived and stored at an off-site location? Have procedures been tested? When did you last perform a full-scale disaster recovery test and what were the results?

#### Maintenance and Backup Procedures

Critical programs and data files are replicated on a daily, weekly, monthly and yearly basis and stored at an alternate data center in a timely manner. Older data backups currently stored at an off-site facility are inventoried regularly. Only authorized individuals may request and obtain replicated data or backup tapes. The backup restore process is tested quarterly to help ensure that data backups can be restored. Data files are maintained up to seven years in accordance with our record retention policy and applicable regulatory compliance rules.

#### System Security

We employ industry leading technology and security measures designed to defend against cybersecurity threats and safeguard client-sensitive information. Protection methods include, but are not limited to:

- Security controls and perimeter infrastructure risk assessments, including the use of multi-tiered firewalls, intrusion protection appliances, web application firewalls designed to protect the network from outside attack
- Malicious code protection, including anti-virus technology, and other system controls designed to protect against malware
- Threat management capabilities, including 24 hours a day, seven days a week security monitoring centers, designed to detect and manage advanced computer security incidents and persistent threats and formalized processes for taking action on identified threats
- An enterprise-wide computer security incident response team (CSIRT) linked with the enterprise crisis response team
- Threat intelligence solutions to stay informed of the latest risks including solutions such as subscriptions to vulnerability alerting services, membership in threat intelligence sharing groups, monitoring of vendor announcements, and checking intelligence feeds from security vendors
- Encryption of sensitive information at rest and when transferred electronically on public communication networks



## West Virginia Consolidated Public Retirement Board

Consolidated Financial Report for the Year Ended December 31, 2019

In addition, we have earned the distinction of Verizon Security Certified Enterprise for seven consecutive years. This is a comprehensive and ongoing risk reduction program that addresses many aspects of information security. This achievement demonstrates that we employ proven security processes and technologies to maintain a proactive and comprehensive information security program.

Proof of certification along with detailed audit control descriptions can be found at the following URL:

<https://smp-01.verizonbusiness.com/certinfo/certified.do?CERTID=120910KL800>

### Disaster Recovery

We maintain a documented business continuity program to help ensure that business products and services are available to customers, even in the unlikely event of a major business interruption.

The business continuity program incorporates business impact analyses and contingency planning at multiple levels, incident management guidelines, call trees, and disaster declaration processes. Recovery timelines are dependent on and subject to the nature of failure scenarios. Taking such factors into consideration, Empower has implemented a recovery time objective (RTO) of five hours and recovery point objective (RPO) of five to 15 minutes.

A full-scale test is conducted at least once annually. The last full scale test was conducted in September 2018. Additionally, aspects of our business continuity and disaster recovery procedures are tested at least four times per year and include announced and unannounced test scenarios to help ensure the effectiveness of our business continuity procedures.

- Describe your system's limitations with regards to investment options, money types, transfers, rollovers, rebalancing, reporting, etc.

The recordkeeping system does not limit the number of files (investments, money types, participants, transfers, rollovers, rebalancing, reporting, etc.) that can be maintained for any particular plan menu at one time.

4.2.1.1.3 TPA shall administer at least one governmental defined contribution plan with assets of at least \$500 million and of similar complexity as the TDC plan, and

Confirmed. As of March 31, 2019, Empower administered 1,224 plans in the governmental market, totaling more than \$131 billion in assets<sup>3</sup> and representing approximately 2.6 million participants. Additionally, we serve 22 state plans and a majority of those plans allow the local cities, counties, and other governmental agencies to participate in the state plan. When we include all political subdivisions of states we serve, our estimated total number of governmental employers served exceeds 9,200. We administer approximately 40 governmental plans with assets greater than \$500 million.

<sup>3</sup>As of March 31, 2019, information refers to the business of Great-West Life & Annuity Insurance Company and its subsidiaries, including Great-West Life & Annuity Insurance Company of New York. GWL&A's consolidated total assets under administration (AUA) were \$638B. AUA is a non-GAAP measure and does not reflect the financial stability or strength of a company. GWL&A's statutory assets total \$57.1B and liabilities total \$55.7B. GWL&A of NY statutory assets total \$2.2B and liabilities total 2.1B.



# West Virginia Consolidated Public Retirement Board

Consolidated Annual Report to the Legislature for the Year Ended December 31, 2018

- Complete the following chart using data as of December 31, 2018:

- By plan type, list the percentage of total business based upon assets under management:

Plan Type	Full Service	Investment Only	Administration Only
Government 401(a) DC	2.2%	Not applicable	2.7%
457	8.9%	<1%*	7%
403(b)	2.6%	Not applicable	1%
401(k)	46%	<1%	26%

Not all plan types administered on our platform are included.

\* As of December 31, 2018, we have three government plans that are investment only, but we do not track this separately.

- By plan type, list the number of clients

Plan Type	# Private Sector Clients		# Public Sector Clients	
	Primary Benefit	Supplemental Benefit	Primary Benefit	Supplemental Benefit
Government 401(a) DC	819		185	
457	460		930	
403(b)	4,159		12	
401(k)	31,191		65	

Totals are plan counts. Empower does not track whether the plan is a primary or supplemental benefit.

- By plan type, list assets under management

Plan Type	Assets of \$0-\$100M	Assets of \$100-\$500M	Assets of \$500M-\$1B	Assets of \$1B plus
Government 401(a) DC	\$1,612,721,966	\$4,047,500,740	\$569,895,139	\$18,712,773,502
457	\$5,296,219,944	\$8,654,605,501	\$7,149,945,167	\$58,275,326,799
403(b)	\$7,949,786,807	\$6,261,689,111	\$2,345,074,367	\$1,346,979,050
401(k)	\$144,258,456,863	\$43,846,083,031	\$26,161,482,671	\$147,752,890,256

Totals are assets under administration.

- By plan size, indicate your number of clients

Plan size by participant	Governmental Defined Contribution Plans	457 Plans
Under 5,000	1,133	1,355
5,000-9,999	15	8
10,000-24,999	16	13
25,000 and over	29	14
Total	1,193	1,390

Totals are plan counts.

**4.2.1.1.4 TPA should provide sufficient security to protect Plan data in transit, storage and cache. In the event of any unauthorized breach/access, theft or release of Plan data, immediately notify the Agency.**

- **Describe your Firm's and any proposed sub-servicers and/or sub-contractors data security systems.**

**Overall Security Architecture**

As previously detailed, we employ industry leading technology and security measures designed to defend against cybersecurity threats and safeguard client-sensitive information. Protection methods include, but are not limited to:

- Security controls and perimeter infrastructure risk assessments, including the use of multi-tiered firewalls, intrusion protection appliances, web application firewalls designed to protect the network from outside attack
- Malicious code protection, including anti-virus technology, and other system controls designed to protect against malware
- Threat management capabilities, including 24 hours a day, seven days a week security monitoring centers, designed to detect and manage advanced computer security incidents and persistent threats and formalized processes for taking action on identified threats
- An enterprise-wide CSIRT linked with the enterprise crisis response team
- Threat intelligence solutions to stay informed of the latest risks including solutions such as subscriptions to vulnerability alerting services, membership in threat intelligence sharing groups, monitoring of vendor announcements, and checking intelligence feeds from security vendors
- Encryption of sensitive information at rest and when transferred electronically on public communication networks

In addition, we have earned the distinction of Verizon Security Certified Enterprise for seven consecutive years. This is a comprehensive and ongoing risk reduction program that addresses many aspects of information security. This achievement demonstrates that we employ proven security processes and technologies to maintain a proactive and comprehensive information security program.

**Data in Transit**

We use proven industry encryption standards and algorithms to protect confidential information. Integrity of data at rest is handled through access control procedures using the concept of least privilege and default deny as required by our information security policies. Encryption is utilized for corporate laptops and desktop computers, mobile devices and off-site backup storage. Additionally, we encrypt all fields and sensitive data points in the Empower recordkeeping system.

For confidential information transferred electronically (data in transit), various encryption mechanisms are used to secure personally identifiable information (PII) when in transit to and from the Empower network. Secure web pages, encrypted VPN tunnels, and secure file transfer protocols provide us with strong methods of encrypting data travelling over unprotected networks. In addition, outgoing email that contains PII is required to be encrypted. Endpoint security and data loss prevention (DLP) solutions are in place to quarantine unencrypted messages if any vulnerabilities or certain sensitive information is detected.

Encryption methods used to protect sensitive information in-transit include but are not limited to:

- SFTP, PGP Encryption, TLS (128-bit minimum)
- VPN Site-to-Site Tunnel: AES (256-bit minimum) or 3DES (112-bit)
- SMTP over TLS: Email transferred over TLS is encrypted using approved encryption methods
- HTTPS: TLS (128-bit minimum)

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board and State Employees Retirement Board

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- Proofpoint (Email encryption): Currently approved delivery via https (128-bit minimum), server to server encryption using S/Mime (112-bit triple-DES minimum and digitally signed with SHA1 or MD5), or PGP (minimum of 2048-bit key length)

### Storage and Backup

Critical programs and data files are replicated on a daily, weekly, monthly and yearly basis and stored at an alternate data center in a timely manner. Older data backups currently stored at an off-site facility are inventoried regularly. Only authorized individuals may request and obtain replicated data or backup tapes. The backup restore process is tested quarterly to help ensure that data backups can be restored. Data files are maintained up to seven years in accordance with our record retention policy and applicable regulatory compliance rules.

### Breach Notification

In the event of a suspected security breach incident, we have formal policies and established procedures for reporting all security incidents in accordance with applicable law and contractual requirements.

4.2.1.1.5 TPA should notify the Agency immediately (within 1 business day) of the termination or reassignment of personnel who are primary contacts for the Agency.

Confirmed. Marybeth Daubenspeck or Don Jurgens will communicate any staff turnover within one business day of the termination or reassignment of personnel who are primary contacts for the Agency.

4.2.1.1.6 It is preferred that the TPA make an annuity shopping service available with a minimum of three (3) vendors. The TPA should use its best efforts to provide replacement vendors within one hundred and eighty (180) days. There will not be a default vendor. The participant must select the vendor. Further, the TPA should provide the TDC plan with procedures to follow in purchasing the annuities with all vendors within the annuity shopping service.

As the incumbent, we currently provide annuity purchasing options through Great-West, MetLife and Mutual of Omaha for the Agency's participants.

In addition, Empower is currently working with an Annuity Service platform provider to establish a direct relationship between our platform and their service offering as required licensing of entities allow.

## West Virginia Consolidated Public Retirement Board

Request for Proposal for the Retirement Board of West Virginia 000000

4.2.1.1.7 In responding to this Request for Proposal, provide options/proposals for all administrative cost recovery (including Agency Costs and TPA Vendor Fees) from the activity of the TDC Plan. The costs to be considered for recovery include the anticipated TPA costs (for responding to this requirement assume that TPA fees will be \$600,000/year and \$400,000/year for Agency operational costs with an assumed annual inflationary rate of 5%. Please provide discussion/explanations of the options and the relative advantages and disadvantages. Do not quote dollar amounts in the response to this table. Only quote dollar amounts in the cost proposal. At a minimum, your discussion should include the following options:

Option	Detailed Description	Advantages/Disadvantages	Investment Options Recommended for Revenue Sharing*
1 Quarterly Flat Fee	Fees are calculated for the specific fund(s) and debited from that same fund. The calculation is based on individual participant account balances in the specified fund(s).	The advantage of a flat fee is that all employees pay the same amount for services provided. It is also transparent to participants. The disadvantage is that smaller account balances can be negatively impacted, since the amount is more significant relative to the size of their account.	Not applicable. Please see Appendix III – Investment Options Proposed for more information.
2 Quarterly Asset-Based Fee	Fees are calculated for the specific fund(s) and debited from that same fund. The calculation is based on individual participant account balances in the specified fund(s).	The advantage of a quarterly asset fee is that it is transparent to all participants and all participants are contributing to the cost of running the plan. The disadvantage is the higher account balances pay a larger portion of the recordkeeping costs, since the amount is more significant relative to the size of their account.	Not applicable. Please see Appendix III – Investment Options Proposed for more information.
3 Combination of Option 1, above, and revenue sharing from specific investment options	Fees are calculated for the specific fund(s) and debited from that same fund. The calculation is based on individual participant account balances in the specified fund(s).	This advantage of this approach would lower the per head fee because of the revenue sharing. The disadvantage is that it is less transparent and the participants in the funds that share revenue are paying a higher overall fee.	Not applicable. Please see Appendix III – Investment Options Proposed for more information.

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Option	Detailed Description	Advantages/Disadvantages	Investment Options Recommended for Revenue Sharing <sup>1</sup>
4 Combination of Option 2, above, and revenue sharing from appropriate investment options	Fees are calculated for the specific fund(s) and debited from that same fund. The calculation is based on individual participant account balances in the specified fund(s).	The advantage of this approach would lower the asset based fee because of the revenue sharing. The disadvantage is that it is less transparent and the participants in the funds that share revenue are paying a higher overall fee.	Not applicable. Please see Appendix III – Investment Options Proposed for more information.
5 Other recommendations			

### 4.2.1.2 Customer Service, Communication and Education

4.2.1.2.1 TPA should provide a customer service center with toll-free telephone service and appropriate staffing.

- Describe your customer service center, its location, number of operators and representatives, structure and hours.

#### Participant Services Center Description

Empower maintains separate participant services centers located in multiple cities across the U.S. All of our participant services centers are virtually connected to provide a seamless service experience. In the event of a business interruption, each center can operate independently of the others should the need arise.

Managers are able to monitor real-time inbound and outbound call activity including calls in queue and calls being handled by representatives at any of the four locations. This multi-site structure enables us to load-balance our call volume and to respond quickly to potential power outages or weather-related interruptions at any of the locations.

We also offer a custom toll-free number for Agency participants: 888-988-3224. The Agency has a designated team of approximately 60 representatives available to assist them.

#### Location and Hours

We have participant services centers located in Greenwood Village, Colorado; Overland Park, Kansas; Andover, Massachusetts; and Milwaukee, Wisconsin. Retirement representatives are available Monday through Friday, from 8 a.m. to 10 p.m. Eastern time, excluding most financial market holidays. Additionally, our representatives are available on Saturdays from 9 a.m. to 5:30 p.m. Eastern time.

#### Number of Representatives

As of March 31, 2019, we have 644 retirement representatives who provide services to participants within the U.S. Puerto Rico and Guam.

#### Structure

Our retirement representatives are trained to handle all caller inquiries with the goal of first call resolution. Representatives have access to the client relationship management system, our extensive electronic library of plan-specific resources and information, and other online resources. In addition, retirement representatives may also call for assistance from an internal support team for complex situations.



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We utilize CentreVu® Supervisor software to manage our participant services centers activity and call volume, with updated data provided every twenty five seconds. Participant services centers managers are able to view current call volume totals, the wait time of the oldest call in queue, the average speed of answer, the number of abandoned calls, and other statistics.

The monitors also air CNBC and display current market information. The monitors can also be a means of sending important global messages to employees and displaying welcome messages to visiting partners.

We also utilize Verint F&S and Impact software to forecast call volume and schedule staff. In addition, we utilize Verint Strategic Planner software to enable us to effectively forecast and plan for any future staffing needs; this includes existing and new business staffing needs. These functions are handled by a designated Workforce department team. The goal of the team is to manage operating costs by optimizing the use of the agent workforce to serve our customers and associates in a thorough manner by scheduling to meet volume needs.

- Discuss where recordkeeping and administrative services for the Plan will be processed.

Recordkeeping and administrative services are performed at our home office in Greenwood Village, Colorado. All of the services we provide for your plan and your participants will be done solely by U.S. personnel. All Empower data centers are located in the U.S.

In the interest of full disclosure, Empower is part of a global organization with sister companies in Canada and India that provide corporate functions, such as technology development and support. We will not utilize those facilities to provide recordkeeping or administrative services for your plan.

- Discuss the security procedures you use at your customer service center to authorize transactions that the participant makes over the phone or via the internet.

### Participant Services Center

We take the security and confidentiality of our participants' personal information very seriously. We authenticate each caller to help ensure that we are speaking with the account owner before we will provide any account information. Callers must enter their SSN and unique PIN in the voice response system to obtain account information, to initiate changes, and prior to being transferred to a representative. If the caller opts out to a retirement representative after full authentication in the system, the representative will see a message on CSAS indicating that the caller is fully authenticated and that they may assist the caller after confirming that the caller's name matches the information we have on record.

Callers opting to speak with a retirement representative who do not authenticate in the voice response system are asked to provide their name, SSN, date of birth, and mailing address. Callers who are uncomfortable providing their full SSN to the representative can provide the last four digits to authenticate. Once the caller is fully authenticated, the representative will provide assistance.

We will not provide any participant account information to a spouse, broker, or any other non-participant caller unless the participant is on the line. We require the participant to fully authenticate and to give permission to speak with the other party every time. These same controls apply if the plan's defined contribution staff contacts a retirement representative for participant-level information. Information is released only after the representative verifies that the caller is listed as an active contact person for the group policyholder.

All calls are recorded using a digital recording system, and these recordings are retained for seven years. In addition, confirmation statements containing the confirmation number and a complete description of the transaction are generated and posted to the participant website within two business days following the transaction date.

#### **Voice Response System**

To preserve the integrity of sensitive information and to protect against unauthorized access, participants are required to enter a username or SSN and their PIN to obtain account information or to initiate any changes. If the PIN is not known, the system will generate a temporary PIN delivered via mobile phone, email or address of record.

The system maintains an audit trail for all activity on the voice response system, and confirmation numbers are generated for all participant transactions. A confirmation statement is available on the participant website within two business days after the transaction date.

#### **Participant Website**

Our websites utilize the most sophisticated security technologies available, and we continually update security protocols as new technologies become available. Our database is protected by a highly secured firewall and a series of filtering mechanisms.

#### **Participant Website Authentication**

As part of the filtering mechanisms, a participant must have a user name and password to view their account information. To register, individuals must complete a five-point authentication process to confirm their identity.

A participant may change their login information through the participant website or by contacting a retirement representative.

#### **Multifactor Authentication (MFA)**

Our participant web application includes multifactor authentication (MFA) with user IDs, passwords, persistent cookies or one-time passwords (OTP) for each login session.

#### **Lost Passwords**

In the event of a lost password, the participant's identity is verified through a multi-factor authentication process. After being authenticated, the participant receives a verification code by phone, email or text message to reset the password.

#### **Audit Trail**

The system maintains an audit trail, which includes the user responsible for the activity, for all account updates done via our participant website. This information and any updates are retained on a permanent basis.

#### **Confirmation Statements**

A participant receives a confirmation number upon completion of any transaction. We advise participants to print the confirmation immediately in order to retain a copy for their records. A copy of the confirmation will also be available on the website.

- Discuss the procedures for edits of transactions received by customer service center representatives and if they are performed "real-time." Provide sample report.

Our system conducts numerous edits when processing distributions and transfers. When a distribution or transfer request is received, the system checks to help ensure that only requests that are acceptable by the IRS code, and by the plan document, are accepted and processed. For transfers, the system also checks for transfer restrictions or equity wash.



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The proprietary design of our recordkeeping system enables us to fully integrate with the voice response system, plan sponsor and participant websites, and the systems used by our participant services centers. Through this process, when information is added or updated through any channel by any user or process, the information flows immediately to and from the recordkeeping system and updates all appropriate data. The result is immediate accessibility to real-time information for the plan, its participants and Empower.

Because edits are handled as they are found directly by the appropriate department, we do not maintain an overall edit report; however, a wide array of participant-level and plan-level reports can be generated through the plan sponsor website at any time. Our recordkeeping system allows for instant, real-time reporting at any schedule or frequency. Our comprehensive online report library provides ad hoc functionality, and reports can be customized based on plan needs and scheduled on a recurring basis (daily, weekly, monthly or quarterly).

Please see the Plan Service Center Sample Reports in the Exhibits section.

- Discuss how customer service center representatives will be supporting the TDC Plan, including the number of representatives quoted as full time equivalents. Indicate why you believe this is an adequate number to properly administer the TDC Plan. Will these people be solely dedicated to the TDC Plan? If not, discuss how this will be handled.

### Plan-Specific Training

After retirement representatives complete core training, a subject matter expert delivers plan-specific training with a focus on plan rules, special handling and other important information needed to respond accurately and effectively to participant questions. Refresher training sessions are conducted semiannually at a minimum for all retirement representatives and managers. Additionally, certain plan changes may require just-in-time training to help ensure that we are prepared to address related questions.

### Number of Representatives

As of March 31, 2019, we have 644 retirement representatives who provide services to participants within the U.S. Puerto Rico and Guam. Empower provides a custom toll-free phone number for the Agency with a designated team of approximately 60 representatives to assist your participants.

### Staffing

Our overall staffing plan is based on analysis provided by our work force optimization department. Using forecasting software and historical analysis, work force optimization creates schedules to help ensure adequate staffing and maintain quality service. The forecasting also allows us to adequately recruit, hire, license, and train new representatives well in advance of need. Forecasts are revised and updated monthly to help ensure we are prepared to meet our service guarantees.

Retirement representatives are generally trained and designated to handle calls for certain segments of our business. Staffing within those segments is based on historical call volume data compiled by our workforce management team and planned several months in advance. Empower employs advanced capabilities to efficiently route and balance call loads in real-time. In addition, analysts also monitor and adjust call loads in conjunction with the technology. The result is a more balanced call load experience across our multiple locations and teams and faster answer speeds for callers.

Retirement representatives are also trained to receive calls from other segments in a backup capacity. Depending on daily spikes in call volumes within certain segments of our business, representatives may receive other segment calls for which they have been trained. This is managed behind the scenes by a combination of our call routing system and our workforce management team and happens seamlessly for the caller.

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For unexpected events affecting call volumes for all segments at once (generally an extreme market related event), the participant services centers can also increase overall capacity by an additional 30% through former phone associates still employed in the participant service center in support roles. Instances where these former phone associates are needed are exceedingly rare.

The system can accommodate as many as 408 calls at once and has multiple voice response system servers that receive calls, with a total of 716 available lines. To help ensure our system servers continue to accommodate a high volume of calls, we perform capacity stress testing once a year. On an average day, approximately 80% of our phone lines are idle and available to receive calls in the event of a surge in call volume.

- Discuss how long, on average, it takes your company to respond to participant requests in writing, over the telephone and via the internet. Include a discussion on how you monitor response time and quality of the response and your commitment to the Agency regarding response time.

For written inquiries, participants may email general, non-account-specific questions via our website or submit account-specific questions by mail through the United States Postal Service. Written inquiries can also be faxed. The turn-around time for an email or written response is one to two business days; however, issues that are more complex may take longer. Commonly asked questions/inquiries are directed to a representative within our enhanced participant services department.

We resolved approximately 99% of participant inquiries during initial telephone inquiries in 2018. Inquiries that cannot be immediately resolved within the first call will have a service request created for tracking the resolution. We have calculated standard response times for each issue and communicate these at the time of the initial contact. We call on or before the standard response time with a resolution or status. For issues that turn out to be more complex and require more time, we communicate a new standard response time when we make our status call.

We use a constantly updating dashboard within our client relationship management system, CIRRUS, to track and identify each call due. We report monthly on our performance related to meeting our standard response times. We also monitor a random sample of service requests, monthly, for quality.

- Describe your customer service staffing plan to deal with peak volume such as after the issuance of participant statements or a plan change.

Our overall staffing plan is based on analysis provided by our work force optimization department. Using forecasting software and historical analysis, work force optimization creates schedules to help ensure adequate staffing and maintain quality service. The forecasting also allows us to adequately recruit, hire, license, and train new representatives well in advance of need. Forecasts are revised and updated monthly to help ensure that we are prepared to meet our service guarantees.

Retirement representatives are generally trained and designated to handle calls for certain segments of our business. Staffing within those segments is based on historical call volume data compiled by our workforce management team and planned several months in advance. Empower employs advanced capabilities to efficiently route and balance call loads in real-time. In addition, analysts also monitor and adjust call loads in conjunction with the technology. The result is a more balanced call load experience across our multiple locations and teams and faster answer speeds for callers.

Retirement representatives are also trained to receive calls from other segments in a backup capacity. Depending on daily spikes in call volumes within certain segments of our business, representatives may receive other segment calls for which they have been trained. This is managed behind the scenes by a combination of our call routing system and our workforce management team and happens seamlessly for the caller.

For unexpected events affecting call volumes for all segments at once (generally an extreme market related event), the participant services centers can also increase overall capacity by an additional 30% through former phone associates still employed in the participant service center in support roles. Instances where these former phone associates are needed are exceedingly rare.

The system can accommodate as many as 408 calls at once and has multiple voice response system servers that receive calls, with a total of 716 available lines. To help ensure our system servers continue to accommodate a high volume of calls, we perform capacity stress testing once a year. On an average day, approximately 80% of our phone lines are idle and available to receive calls in the event of a surge in call volume.

- Describe the toll-free telephone system you will provide and the interface that employees without touch telephone service will receive.

#### Voice Response System

As previously detailed, our toll-free voice response system is available 24 hours a day, seven days a week. Empower provides your plan with a custom toll-free number for participants to access account information.

Participants can speak or use the keypad to navigate the prompts. Menus are prioritized by importance, followed by frequency of use, and callers have the option to speak to a retirement representative at any point during the call (during normal business hours). Through the voice response system, participants are able to complete the following transactions and inquiries:

Transactions	Inquiries
Update investment elections	Account balance
Transfer or reallocate investments	Current unit values or share prices
Establish automated rebalancing	Transaction history
Change PIN or issue temporary PIN	Current allocations
Request statement	Fund performance

#### No Touch Telephone

Participants who do not have touch-tone telephone service have the option of using spoken commands to navigate through the prompts. Participants can transfer from the voice response system to a retirement representative at any time during the call by saying "Representative." Participants are given the option to transfer to a representative following the main menu.

Participant commands are available throughout the call. Commands to reach a retirement representative include "Agent Operator," "Representative," "Customer Service," and "Customer Service Representative." These commands are recognized through the voice response system at any time. Retirement representatives are available during normal business hours, which are Monday through Friday from 8 a.m. to 10 p.m. Eastern time, excluding most financial market holidays, and Saturday from 9 a.m. to 5:30 p.m. Eastern time.

#### Participant Services Center

Our retirement representatives are trained to handle all caller inquiries with the goal of first-call resolution. A summary of the services and transactions that retirement representatives may provide to fully authenticated participants is provided below.

Summary of Services	
Account balances	Beneficiary information and forms
Investment election changes	Request for plan information
Fund transfer requests	Investment information
Issue resolution	Duplicate statements
Statement and mailings	Rollovers (from the plan)
Information and status of forms and other written correspondence	Withdrawal and distribution information, including distributions initiation under \$5,000
Plan forms, including pre-filled distribution	

- Do representatives have direct access to the record keeping system? If a participant exits your voice response system with a problem, how do operators monitor the progress of the attempted transaction?

Yes. Our retirement representatives have direct access to all participant account information and can process any transaction that does not require a participant's signature. Since all changes and transactions are updated in real time, our representatives always have access to the most current information, allowing for any participant question or request to be handled accurately and efficiently.

Retirement representatives can access plan information including forms, participant communications and mailings, specific fund information, tax forms and copies of incoming participant communications. Additionally, our participant account emulation allows our representatives to see exactly what the participant sees, making it easier to assist with navigation-based inquiries.

All account activity, including activity initiated in our voice response system, is tracked in our recordkeeping system. Participants receive a confirmation number for all activity completed in the voice response system. While representatives cannot view specific details of incomplete voice response system transactions, they can see the type of transaction that was being attempted.

- Describe the types of transactions your operators are permitted to accept from participants verbally and via the internet. Are participant calls recorded?

#### Participant Services Center

As previously detailed, our retirement representatives are trained to handle all caller inquiries with the goal of first-call resolution. Our retirement representatives have direct access to all participant account information and can process any transaction that does not require a participant's signature, including:

- Investment election changes
- Fund transfer requests
- Duplicate statements
- Issue resolution
- Rollovers (from the plan)
- Withdrawal and distribution information, including distributions initiation under \$5,000

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### Participant Website

As previously detailed, the following table details the account service and transaction capabilities available via the [wvteachersdcp.com](http://wvteachersdcp.com) custom participant website.

View Account Information	
<ul style="list-style-type: none"><li>• View balance</li><li>• Balance history</li><li>• Account summary</li><li>• Current allocations</li><li>• Asset allocation</li><li>• Asset allocation comparison</li><li>• Deferral</li><li>• Contribution history</li><li>• Personal profile</li><li>• Beneficiary</li></ul>	<ul style="list-style-type: none"><li>• View pending transfers</li><li>• View completed transactions</li><li>• Withdrawals</li><li>• Custom transfers</li><li>• Statements on demand</li><li>• Individual rate of return</li><li>• Quarterly statements</li><li>• Transaction history</li><li>• Advice and managed account services</li></ul>
Change Account Information	
<ul style="list-style-type: none"><li>• Cancel transfer</li><li>• Automatic rebalancing</li><li>• Forms</li><li>• Distributions</li><li>• Change personal profile</li><li>• Address change, terminated participants only</li></ul>	<ul style="list-style-type: none"><li>• Fund transfers</li><li>• Change PIN</li><li>• Dollar cost average</li><li>• Beneficiary</li><li>• Change username</li></ul>
Investment Options	
<ul style="list-style-type: none"><li>• Fund values</li><li>• Fixed returns</li><li>• Fund benchmarks</li><li>• Online prospectus</li></ul>	<ul style="list-style-type: none"><li>• Fund performance</li><li>• Fund overview</li><li>• Fund values graph</li></ul>
Education and Planning	
<ul style="list-style-type: none"><li>• Getting started</li><li>• Distributions and rollovers</li><li>• Plan FAQs</li><li>• Paycheck analyzer</li><li>• Budgeting, planning and day-to-day finances</li><li>• E-learning</li></ul>	<ul style="list-style-type: none"><li>• Advice and managed account services</li><li>• Become an educated investor</li><li>• Managing money in retirement</li><li>• Asset classes and mutual funds</li><li>• College planner</li></ul>
Plan Information	
<ul style="list-style-type: none"><li>• Plan documents</li></ul>	<ul style="list-style-type: none"><li>• Prospectuses</li></ul>
Forms (additional forms are available depending on the needs of the plan)	
<ul style="list-style-type: none"><li>• Beneficiary forms</li></ul>	

## West Virginia Consolidated Public Retirement Board

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### Recorded Calls

All inbound and outbound telephone calls are recorded and stored for seven years in our secured access data center. Recorded calls are routinely reviewed for content, completeness, accuracy and service quality.

- **Discuss options for persons with disabilities, including available language services other than English and Telecommunication Devices for the Deaf (TDD) services.**

### Hearing Impaired

We deliver a consistent, high-quality service experience to all callers, regardless of the channel through which they choose to communicate with us. We provide a unique toll-free TTY number for our deaf and hearing-impaired participants, allowing direct communication with our retirement representatives during regular business hours. In addition, all of our representatives are trained on the nuances of communicating through a Telecommunications Relay Service (TRS) and are able to assist with any account inquiries and changes.

### Languages

We have retirement representatives who speak Spanish and a number of other languages. We can also assist participants through our language line service provided by Voiance. Through the language line service, our retirement representative and the participant are placed in telephone conference with our translation service provider who will translate the conversation between the foreign language speaking participant and our retirement representative. Our language line service has the capability to provide translation services in more than 200 different languages.

- Provide the following statistics for your participant toll-free service line for the periods shown:

	Calendar Year 2017	Calendar Year 2016
Quality standard for Voice Recognition System (VRS) answer time in number of seconds	Empower does not have a standard.	Empower does not have a standard.
Average actual VRS answer time in number of seconds	Our automated voice response system answers calls within one ring or within .65 of a second.	Our automated voice response system answers calls within one ring or within .65 of a second.
Quality standard for VRS downtime (% of hours per month)	Less than 1%	Less than 1%
Average actual VRS downtime (% of hours per month)	0.03%*	0.04%*
Quality standard for service representative downtime (% of available hours per month)	Empower does not have a standard.	Empower does not have a standard.
Actual standard for service representative downtime (% of available hours per month)	0.03%*	0.07%*
Quality standard for participant Internet downtime (% of hours per month)	Less than 1%	Less than 1%
Average actual participant Internet downtime (%) pf hours per month)	0.06%*	0.09%*
Number of calls handled by VRS	4,858,586	4,408,806
Number of calls received by service representatives	4,603,670	4,117,335
Number of Service Representatives	576	530



# West Virginia Consolidated Public Retirement Board

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	Calendar Year 2017	Calendar Year 2016
Number of participants served by service representatives	**	**

\*Downtime dedicated to the weekly maintenance window is not calculated into the unscheduled outage figure. The actual number of hours we may be down during this window is not reported. We reserve 12 hours per week for planned downtime; however, the outage usually lasts a few minutes or less.

\*\* This is not tracked.

	Calendar Year 2017	Calendar Year 2016
Quality standard for number of participants per service representative	One representative for every 21,250 participants	One representative for every 21,250 participants
Quality standard for minutes per day that a representative is on the phone	Empower does not have a standard.	Empower does not have a standard.
Actual standard for minutes per day that a representative is on the phone	Not applicable.	Not applicable.
Quality Standard for number of seconds on hold while call transfers to service representative	Not applicable	Not applicable
Average actual number of seconds on hold while call transfers to service representative	0:29	0:23
Quality standard for call abandonment rate	Less than 3%	Less than 3%
Actual call abandonment rate	2.03%	1.54%
Quality standard for amount of time to call back with status on issue	***	***
Average actual amount of time to call back with status on issue	***	***
Quality standard for amount of time to handle issue resolution	***	***
Actual average amount of time to handle issue resolution	***	***
Frequency each service representative's calls are monitored by qualified supervisor	Monthly	Monthly
Number of calls monitored by supervisor at frequency given above	Seven calls each month for each representative	Seven calls each month for each representative
Number of Internet hits received	49,477,367****	43,271,908****
Number of participants with Internet access	6,990,748*****	59,990,225*****

\*\*\* The time expectations we communicate for issue resolution vary based on the issue raised by our customers. We do have set response times based on each issue, and we communicate an estimated completion date at the time of the initial contact. We will call on or before the estimated completion date with a resolution, in most cases, or a status update if the issue turns out to be more complex than we originally thought. At that time, we will communicate a revised estimated completion date if we were not able to resolve within the first estimated completion date.

\*\*\*\* Total logins

\*\*\*\*\* Total registered participants



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- Confirm your company's ability to provide:
  - Average Speed of Answer (ASA) guarantee that 95% of calls are answered within 90 seconds of the first ring.

Confirmed

- Busy Rate guarantees that less than .3% of calls receive a busy signal.

Confirmed

- Abandoned Call Rate - guarantee that less than 2% of calls are not answered.

Confirmed

While we can agree to provide the standards above, we have provided best practice recommendations for the Agency's consideration below.

Metric	Standard	Measurement
Call Abandon Rate	Less than 3% of participant calls abandoned	Metric provided as part of the quarterly Empower Service Level Report
Call Answering Speed	80% of participant calls answered within 20 seconds	Metric provided as part of the quarterly Empower Service Level Report
IVR Availability	99% of the time IVR available excluding regularly scheduled maintenance	Metric provided as part of the quarterly Empower Service Level Report

4.2.1.2.2 TPA should conduct on-site and one-on-one education and counseling. At a minimum, each member must be contacted at least once per year and offered a one-on-one education and counseling session.

Confirmed.

- Describe your communication and education services generally.

Our communication philosophy is driven by a behavioral finance approach that is inherent in all the collateral we produce and design to cater to the unique saving and investing personality of each participant. By providing information that is tailored to the audience's specific needs, we not only provide more value, but also increase the chance for employees to achieve a successful retirement outcome. With information that is designed for them, employees gain the added confidence of being retirement-ready in accordance with their individual retirement goals. We look forward to putting our communication philosophy to work for the Agency.

The four communication phases we engage as part of our overarching philosophy are as follows:

### Phase 1: Confidence and Trust

One of our top priorities is gaining the trust and confidence of those we serve. When it comes to an individual's own money, people are more likely to scrutinize and question any particular retirement savings plan. Following are some strategies to reinforce a plan's strength and stability:

- Key plan facts
- Number of participants
- Total assets managed
- Fund diversity
- Case studies
- Testimonials

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board, Capitol Office Building, Charleston, WV 25305

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### Phase 2: Education and Awareness

Once a trusting relationship is built, we help make employees aware of their plan's features and educate them on the importance of saving for retirement. While most people know that they will need a source of income when they retire, it may not be something they think about on a regular basis. To address that, we deliver educational materials that include the following to keep retirement planning at the forefront:

- Third-party validation
- Various educational seminars
- Projected future costs
- Healthcare expenses
- Retirement statistics
- Tax implications

Chris Meadows, your designated RPA, conducts group meetings and individual counseling sessions for your employees to help them get the most out of the plan and all its features in the pursuit of a better financial future.

Chris provides employees a retirement readiness review to present a realistic appraisal of their current situation, and provide guidance on building a plan to improve the level of income they're set to replace in retirement. With this review, we help participants:

- Establish goals for desired retirement age and income
- Aggregate information about other pertinent assets and income streams
- Assess their current progress on the path to personal retirement readiness
- Deliver specific recommendations to help improve their retirement outlook

These recommendations encompass savings strategies, investment allocation and diversification, sustainability of retirement income and an efficient retirement distribution plan. Chris communicates this advice in-person to provide the participant with the knowledge, understanding, process, and plan of action to implement the changes.

### Phase 3: Behavioral Change

Having gained their trust and educated our audience on the need to save for retirement, we help position people to make desired behavioral changes through creative, action-driven campaigns. Depending on the goal, we deliver specific campaigns tailored to those and other important topics. Following are some of the delivery channels we employ to achieve this goal:

- Targeted direct mail
- Targeted email
- Promotional posters
- Website

### Phase 4: Measurement

It is critical for our clients to be able to easily determine if our campaigns are successful. Everything we do must be able to be measured in some way. Whether it is hits on a website, responses to a direct email, or action taken as a result of the campaign, we are to be able to readily identify where we are succeeding and where results are not up to expectations so we can make changes. Measuring our effectiveness provides tangible evidence showing the difference we can make with our communication initiatives. Following are some strategies to achieve this goal:

- Surveys
- Email click and open rates
- Web trends
- Beneficiaries named
- Asset allocation changes

## West Virginia Consolidated Public Retirement Board

Consolidated Annual Report to the Board of Directors for the Year Ended December 31, 2011

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- Provide samples of the visual and demonstrative aids that your company would prepare to communicate the TDC Plan as well as sample forms. Also provide samples of the general communication materials that you will distribute on a regular basis to employees and make generally available to employees. These should include investment performance information (including comparative information to benchmarks), plan description booklets, information on retirement planning, payout distribution, quarterly statements, and quarterly statement stuffers.

The following sample communication and education materials have been provided in the Exhibits section:

- Advisory Services Guide
- Plan Highlights
- Pocket Folder
- Quarterly Newsletter
- Meet Your Representative Postcard
- Participant Statement (with custom narrative)

We have also included sample forms with our Exhibits.

- Discuss the ability of your customer service representatives to answer participant questions on investment alternatives and provide participants with estimated retirement benefits.

In addition to our participant services center, the participant advisory services education center makes available investment adviser representatives, between the hours of 8 a.m. to 7 p.m. Eastern time, Monday through Friday excluding market holidays. Participant calls transferred from the Empower participant service center to the participant advisory services education center are made via warm transfer procedures.

We offer Advisory Services through our wholly owned subsidiary and registered investment adviser Advised Assets Group, LLC (AAG). Using a program powered by Morningstar Investment Management LLC, we offer investment advisory resources and services, including My Total Retirement™<sup>4</sup>.

### Integrated Relationship

Empower's ability to leverage our recordkeeping data to create an integrated managed accounts experience with our Advisory Services is one of our key differentiators. This integration contributes significantly to helping to ensure participants receive a valued-added experience. Morningstar Investment Management's programs are hosted by the Advisory Services and contained within the firewall; as such, we do not need to send participant or personally identifiable information to Morningstar Investment Management.

### Service Center

Your participants can use a single phone number for access to plan information, advice, and My Total Retirement services. When a participant contacts the Empower participant services center with questions regarding advice and My Total Retirement services, a retirement representative performs a warm transfer of the participant to the Advisory Services center and introduces him or her to an investment adviser representative. Participants will speak with an investment adviser representative who is solely responsible for working with Advisory Services. These representatives must undergo an extensive training program and meet state registration requirements. The investment adviser representative has access to plan and participant details, allowing for a focused and personalized consultation specific to the participant.

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<sup>4</sup> Online Advice and My Total Retirement™ are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

## West Virginia Consolidated Public Retirement Board

Corporate Financial Services, LLC • 1000 17th Street, Suite 1000 • Charleston, WV 25301 • 800-441-4411

### Online

The participant experience is fully integrated into the award winning Empower participant experience and based on the same premise – to drive action and support participants in reaching their retirement goals. Once enrolled into Advisory Services, participants can easily navigate through their account and are provided with opportunities and personalized recommendations on how to improve their retirement readiness.

### Oversight

The Advisory Services offers:

- Ongoing oversight meetings with sub-advisers
- Review of:
  - Plan setup and design
  - Fees
  - Transactions
  - Individual participant recommendations
- Describe the materials or other support you will provide to educate participants about the use of your company's customer service center.

We make the customer service center information readily available to participants by including it on all communication materials, including the custom phone number we provide TDC. Contact information is also available on the participant website.

- Describe any alternative education methods or resources you can offer to the TDC Plan participants (such as presentations on DVDs, on-line training, e-learning, etc.).

Financial wellness is fully integrated into the participant digital experience. There is no additional cost to the plan or participants for this learning portal which is available to all participants with online access. We provide access to easy-to-use online services that can help employees achieve their retirement income goals.

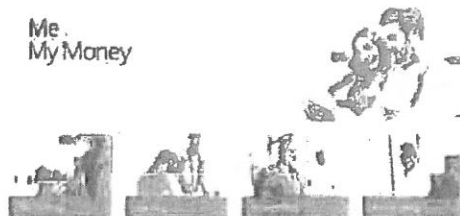
### eLearning Seminars

Empower offers your participants eLearning seminars on the participant website. Information from creating a budget to understanding distribution options is available online through these online, interactive seminars. We can also create custom eLearning seminars to inform participants about the specific investment options in the plan.

### Me & My Money

#### Education and Calculators

The *Me & My Money* page of the participant website includes articles and calculators to help participants gain a more complete view of their financial picture. *Me & My Money* is organized in four key areas of financial wellness – spending, saving, investing and protecting. Such organization can help each employee quickly and easily find content relevant to their own personal situation.



## West Virginia Consolidated Public Retirement Board

Consolidated Financial Plan for the West Virginia Consolidated Public Retirement Board

Educational articles include key takeaways and a call to action designed to help employees make the best use of the new information presented. Calculators allow an employee to model different scenarios and calculate approximately what they'll need to do before and during retirement to achieve their desired lifestyle. Featured calculators include:

### ***Saving:***

- Managing your monthly budget

### ***Spending:***

- Borrowing from your retirement plan
- Your retirement lifestyle
- Withdrawals before retirement
- Withdrawals in retirement
- Required minimum distributions

### ***Planning:***

- Retirement planner
- Saving for higher education
- Growing your investment
- Retirement account rollover

### ***Overall Financial Wellness:***

- Life insurance
- Mortgage refinancing

In addition, we are enhancing our experience in 2019, and beyond, to provide more education and coaching resources that provide clear calls to action to help support overall financial wellness. The purpose of financial wellness is to help employees identify actionable next steps that build confidence and break down hurdles to achieve financial security. Our goal is to continue to evolve our offering and create a straightforward, easy-to-use, integrated tool that has clear calls to action with the ability to take action. From a wellness assessment tool, to short term savings goals, to student debt solutions, we have created a robust program to ensure participants know how to optimize their savings strategy.

4.2.1.2.3 TPA should process benefit distribution, including required notices, payments, tax withholding and reporting and issuing 1099R's. Upon submission of the annual Form 1099R's to the taxing authorities, the TPA must provide a copy, in an electronic format, to the Agency of all issued 1099R's for that year.

Confirmed. Empower will continue to process distributions, provide required notices, and process any applicable tax withholding and reporting. Currently, we provide copies to the Agency of all issued Forms 1099-R in an electronic format each year. Tax forms are also available for plan sponsors and participants through the plan sponsor and participant websites.

- List and describe all payment options your firm can make available to plan members.

Retiring participants or those no longer employed must decide what to do with their retirement account assets. Depending on plan rules, terminating and retiring participants have the following options:

### ***Stay in Plan***

Terminated and retired participants can defer distribution and keep their funds invested in the plan (subject to the plan's de minimis provisions). If the participant chooses to defer distributions, the balance of the account will continue to accumulate tax deferred. Participants can continue to transfer balances among the various investment options available in the plan.

### ***Lump-sum Distributions***

**Full Lump-Sum Distribution:** If chosen, the full vested value of the account is distributed. Any money not directly rolled over into a qualified account is taxable to the participant in the year the distribution is processed.

West Virginia Consolidated Public Retirement Board  
Held by Public Retirement Board CPED 09-08-6

### Periodic Payments

**Periodic Payment of a Period Certain:** A participant will receive payments on a regular installment basis depending upon the frequency chosen. Payment amounts depend on the length of time designated, the frequency and the investment returns. The payment amount is calculated by dividing the current account balance by the number of remaining payments and is recalculated each time a distribution is processed. The balance of the account will be zero by the end of the selected term.

An annuity is a payment option that can guarantee participants income for life or for a defined period. If the plan provides for annuity options, a participant can choose the option and receive payment on a regular basis. The annuity payment options include:

- We provide annuity purchasing options through Great-West, MetLife and Mutual of Omaha for the Agency's participants.

- **Rollovers to Other Employer-Sponsored Plans:** Participants may elect to roll over their account balance, partially or wholly, to another eligible 401(a), 401(k), 403(b) or governmental 457(b) plan if the new plan accepts such rollovers.
- **Rollover to Empower Retirement IRA:** Empower offers two types of rollover IRAs:
  1. **Empower IRA** – A mutual fund-only IRA that enables the participant to invest in any of the funds in the Empower lineup. The Empower Retirement IRA meets the safe harbor requirements for the default investment option, which is the Great-West Government Money Market Fund.
  2. **Empower Brokerage IRA** – This IRA expands the available investment options to also include outside mutual funds (more than 17,800 investment options from more than 263 fund families), stocks, bonds, ETFs and options. Dependent upon the plan's transfer provisions, if applicable, a participant may be able to transfer stock in kind from their 401(k) account to the Empower Brokerage IRA.
- **Rollovers to individual retirement accounts (IRAs):** Participants may elect to roll over their account balance, partially or wholly, to an IRA with a financial institution of their choice.



- Describe in detail the distribution counseling services that your representatives would be able to provide for members over the telephone and in person. Discuss how you communicate the different payment options. Provide samples of the written materials and applications that you would propose sending to members who have requested distribution information and samples of the forms that your firm uses for election of form of payment.

All distribution options are fully explained and estimated payments are provided, if needed. Counseling and forms are currently provided over the telephone. In addition, Chris Meadows meets with your participants in person to help them understand their distribution options.

In addition, the Agency may choose to elect Empower's retirement solutions group (RSG) services. RSG offers a suite of enhanced retirement and education services designed to help participants address outgoing rollovers, retirement distributions or separation from service. The RSG, which consists of experienced professionals with thorough knowledge of securities and tax laws and a variety of financial products, can engage participants in conversation about their options with a focus on education and consultative needs analysis.

- **Online education:** The RSG website provides general education about distribution options, IRAs and information regarding individual products available through Empower. It also contains several calculators and comparative tools to help participants weigh their options.
- **Termination letter mailing:** Participants will receive a letter following a change in employment status which will explain available options based on personalized data. The letter will include the RSG web address and a phone number to call for additional information and support.
- **Educational calls:** The RSG initiates calls to participants to discuss their options and make sure they understand the pros and cons of each.

As of March 31, 2019, counseling and support from our RSG representatives has resulted in a 34% stay-in-plan rate among those government participants who sought counseling<sup>5</sup>.

Please see the Your Life. Your Future. Your Options. brochure and the sample ACH Form in the Exhibits section.

- Describe how your representatives will assist members in completing distribution applications.

We counsel and assist participants regarding distributions and form completion by phone or in person.

In addition, if elected by the Agency, the RSG is a line of business within Empower that works with plan sponsors and participants to address issues around asset consolidation and tax deferred asset protection. The RSG helps your participants manage their retirement assets within one convenient account and educates them on all of their options when they change jobs or retire.

#### How Does Empower Help?

Our retirement advisors engage in a tailored and personalized conversation to help participants reach conclusions about their particular situation, time horizon, and unique pursuit of financial independence. Our service and our people are among the best in the industry and we pride ourselves on our ability to deepen relationships, inspire prudent saving and spending behavior, and impact outcomes for all we serve.

We support a participant's journey towards retirement readiness by:

- Providing access to asset consolidation insight from tax-deferred protection professionals
- Accessing the web emulator to work with participants in real time as they make changes on the participant website.

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<sup>5</sup> Empower data as of March 31, 2019



## West Virginia Consolidated Public Retirement Board

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The RSG service center is staffed with highly qualified retirement advisors who maintain FINRA Series 6, 7, 63 and/or 65/66 securities registrations. Retirement advisors may also hold or be actively pursuing the Certified Retirement Plan Counselor™ (CRPC®) designation from the College of Financial Planning.

At Empower, we believe that these services, in conjunction with one another, create an exceptional experience for you and your participants by providing access to professionals who can address the critical issues facing participants today. We help people strive to meet their current and future financial needs by enabling them to create a more financially sound vision for achieving lifetime income in retirement.

In addition, your RPA, Chris Meadows, provides assistance, in person, to members to help them complete distribution applications.

- If forms are returned incomplete, discuss how the Plan will be notified to provide the missing information.

The Agency currently manages distribution processing approvals electronically using the To-Do-List (TDL) functionality. The TDL allows for the secure and electronic delivery of distribution paperwork between Empower and the plan. It simplifies the overall distribution process for the participant by reducing the number of delays to process a distribution form and the amount of paper being passed around the office. An email notification is sent to users with TDL access regarding items to be reviewed.

With this service, the plan can see any requests needing clarification that were sent back to the participant (such as missing amounts, signatures, etc.). Typically, there is no action that needs to be taken by the plan in this instance; it is simply informative in nature.

- Discuss your ability to provide an annuity shopping service. For the annuities you offer, give the actual and guaranteed purchase rates per \$1,000 for the following payment options on July 1, 2018. Provide purchase rates for a member age 55, 60, 62, and 65. For joint and survivor payment options assume that the spouse is the same age. Unisex rates are required.

- life with payout
- life
- 10 years certain
- 50 percent joint and survivor
- 100 percent joint and survivor

For the annuity purchase rates listed above, list the commissions, if any, your firm receives. Note that your firm must fully disclose all commissions paid for annuities purchased under the Plan.

As the Incumbent, we currently provide annuity purchasing options through Great-West, MetLife and Mutual of Omaha for the Agency's participants.

In addition, Empower is currently working with an annuity service platform provider to establish a direct relationship between our platform and their service offering as required licensing of entities allow.

- Describe your firm's procedures for processing the termination or retirement of a member. Start with the date when a member's termination is reported to you and end with the receipt of the 1099R.

All participants in the plan receive information periodically through the quarterly custom newsletters regarding their options once they terminate from employment. In addition, your local dedicated RPA, Chris Meadows, provides regular group meetings and individual meetings to assist participants with understanding their options.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board 2020-2021 Annual Report

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If a participant wishes to take a distribution from their account, requests can be submitted electronically on the participant website. Following Agency approval on the plan sponsor website, distributions are processed based on plan rules and completed the same business day if requested by 4 p.m. Eastern time, or the next business day if requested after 4 p.m. Eastern time or on a non-business day.

For distribution requests, our system validates participant information, determines share prices, withdraws funds and executes trades that evening. Our system automatically calculates the appropriate state and federal withholding and creates the check and confirmation. All checks are mailed within two business days. Funds distributed electronically via ACH are received within two business days.

A security alert (text and/or email notification) is sent to the participant for all disbursement requests.

We provide all appropriate tax withholding and reporting for plan distributions. Our recordkeeping system automatically calculates federal and state taxes. These amounts are withheld from the disbursement taxable amount, and tax payments are reconciled and remitted to the various tax entities throughout the year in accordance with IRS and other tax agency regulations.

All tax reporting and withholding occur under our employer identification number (EIN)—not the plan's EIN. In January, data for the prior year is accumulated in a corporate tax system from which tax forms are produced and mailed. The participant receives notification of the withholding at the time of the withdrawal, and the appropriate Form 1099 is mailed in January to the address of record.

- If a member calls to request a distribution prior to being reported as terminated what will they be told? What alternative processes can be implemented?

Currently, the participant will be instructed that they must have a qualifying reason and that Empower must be provided a termination date by the Agency. We receive termination dates from the Agency on the contribution file.

Chris is available to assist participants in understanding the distribution process.

We have an alternative process for the Agency's consideration. If the Agency would approve, we have a feature that would leave the distribution in a pending status until the employment termination date has been entered in our system. Once the date of termination is entered the funds would automatically pay from the participants account.

- Describe how the Internal Revenue Service Form 1099-Rs are produced for distributions and subsequent reporting thereof. What controls are in place to ensure that the federal tax tables are updated in the system timely to reflect the most current tax tables? What measures are taken to ensure that withholding tax calculations are correct?

### Tax Withholding and Reporting

As previously detailed, we provide all appropriate tax withholding and reporting for plan distributions. Our recordkeeping system automatically calculates federal and state taxes. These amounts are withheld from the disbursement taxable amount, and tax payments are reconciled and remitted to the various tax entities throughout the year in accordance with IRS and other tax agency regulations.

All tax reporting and withholding occur under our EIN—not the plan's EIN. In January, data for the prior year is accumulated in a corporate tax system from which tax forms are produced and mailed. The participant receives notification of the withholding at the time of the withdrawal, and the appropriate Form 1099 is mailed in January to the address of record.

Participants can also access tax forms through the participant website. Duplicates may be obtained by contacting the participant services center.

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Statements for the Year Ended December 31, 2019

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### Controls

Tax tables are stored within our recordkeeping system and are used to calculate taxes at distribution. Tax tables are reviewed and updated annually.

### Accurate Tax Calculations

The recordkeeping system transmits all reportable tax transactions to the tax reporting system on a daily basis. The imported data is verified to control totals (e.g., total number of records, total dollar amounts) provided by the recordkeeping system. Furthermore, withholding amounts passed from the source system to the general ledger are reconciled to those passed to the tax reporting system.

- Describe how your firm handles the direct rollover and notice requirements.

As previously detailed, participants who have separated from service can initiate their rollover distribution via the participant website. All rollovers become effective the date we receive the proper documentation. If the distribution is a direct rollover to another qualified plan, the proceeds are not taxable. Rollovers are coded with special identifiers indicating the contribution is a plan-to-plan transfer and that it is fully vested.

Participants can also roll over a retirement account into a qualified plan offered through another provider by completing a distribution request. The participant, alternate payee or surviving spouse is responsible for determining whether the distribution qualifies for rollover treatment and for completing the rollover process.

We provide the participant with the required 402(f) notice when the disbursement is requested. The Agency currently approves requests electronically through the plan sponsor website. If the Agency is interested and provided approval, we can process distributions without plan sponsor approval. Upon approval, the distribution is processed effective the same business day (if the request was received prior to market close), and we send a check to the participant at their address of record.

- Participants may choose an electronic direct deposit as an alternative to receiving a check.  
Describe how the notification and processing is different under this payment option.

Participants can choose an electronic direct deposit as an alternative to receiving a check. For one time payments, we will send the electronic funds transfer to the bank account and account number provided by the participant on the distribution form. For repetitive payments, Empower sends a pre-note to the bank prior to the first payment to ensure the financial data is accurate. In the event that we receive a rejection from the bank, we will work with the participant to obtain the correct account information. The following restrictions apply:

- Direct deposit of funds can only be made into a U.S. financial institution.
- Deposit of funds into a checking account: The participant must submit a preprinted voided check. Starter checks are not acceptable. The name on the check must be pre-printed and match the name on the request and the recordkeeping system.
- Deposit of funds to a savings account: The participant must attach a pre-printed savings deposit slip and ensure it does not have the verbiage "Do Not Use this ABA for wires or ACH."
- Plan Participant Satisfaction
  - Discuss how your company measures and evaluates plan participant satisfaction.

### Participant Services Center

We currently deliver an after-call survey to 100% of participants who opt to speak with a retirement representative. Survey questions focus on the caller's opinion of the representative's performance and their overall service experience based on their most recent call. Participants are also able to provide their feedback by providing commentary or a verbatim at the conclusion of the after-call survey.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board of West Virginia

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Results from each survey call are factored into our overall performance. We strive to reinforce positive participant experiences while looking for opportunities to provide feedback to our representatives toward better performance and to identify areas to enhance the participant experience. Empower reviews after-call survey results and the verbatim feedback on an ongoing basis to enhance the participant experience.

### Education and Communication

In order to be successful, it is critical that we measure the effectiveness of the education programs we implement and make adjustments as necessary. We work collaboratively with our plan sponsors to set the goals by which we measure our success.

Understanding each sponsor's employee base and behavior and understanding how that compares to peer groups and the industry as a whole helps us establish communication goals for each plan. On an ongoing basis, we have the following research efforts in place:

- Continual review of deferred compensation and defined contribution plan industry research and comparison to plan-specific trends
- Continual review of peer industry group research and comparison to plan-specific trends
- Review of our retirement plan clients for plan-specific trends

We use a variety of methods to measure the success of our education approaches including participant feedback following seminars, feedback from key contacts and employees, and ongoing analysis of participant demographics by department.

These methods are described below:

#### Periodic Participant Satisfaction Surveys

Meeting and presentation feedback allows us to determine whether we are reaching enough participants, whether the topics are appropriate, whether other topics are desired and the effectiveness of our speakers. We can also offer an annual participant satisfaction survey that measures satisfaction with Empower, our website, communication materials, local retirement plan advisors and more.

#### Periodic Review of Plan Demographics

We track plan trends to determine participation levels (by department, by age, by gender); asset allocation (number of funds utilized by participants, frequency of investment changes); and utilization of optional plan features.

- Discuss the frequency you propose evaluating Plan participant satisfaction, how Agency input will be included, and how the findings will be provided to the Agency.

The communication lead and communication strategist will work with the Agency to create an annual participant satisfaction survey, which will measure satisfaction, retirement readiness and all of the components of our participant experience. The survey would be promoted through the website and the newsletter and would be open for about a month. Participant responses would be gathered and communicated back to the Agency via a PowerPoint presentation, with an executive summary included.

In addition, we monitor participant satisfaction using a state of the art voice response system after-call survey. The after call survey is offered to 100% of our callers. Participants are asked if they would like to participate in the survey before they speak with a representative. If the participant agrees, the call transfers to the voice response system survey at the call conclusion. The retirement representative is unaware the participant has accepted the survey. The three question survey captures feedback about the call, with the participant rating the call experience on a 1-5 point scale. Conducting the survey in this manner provides valuable participant feedback while the interaction is still fresh in the caller's mind.

For 2018, the average survey score was a 4.58 out of five and 89.05% of respondents gave an overall rating in the top two boxes (very satisfied/satisfied).

Don will review after-call survey results with the Agency upon request.

- **Describe the safeguards you utilize to assure the Agency is informed of all serious or repetitive complaints regarding your company's performance, including how you notify the Agency.**

Participants who wish to submit a grievance or appeal can forward their complaint to the mailing address listed on the quarterly account statement. In addition, the participant can call-in the complaint using the phone number listed on the quarterly statement.

The telephone number shown on the quarterly statement directs complaints to the Empower participant services centers, located in our home office. Our retirement representatives will research and resolve all telephone complaints and escalate complaints to a manager as appropriate. Complaints are logged into the complaint tracking system, which is used for complaint reporting and analysis.

The representative assigned to service the plan typically responds to participant telephone complaints received at the local sales office. He or she will coordinate a review and investigation of the matter with client services, as needed.

The mailing address shown on quarterly statements for directing written customer complaints is that of our correspondence department, which is also located in our home office. Correspondence is screened to identify participant inquiries versus complaints. Upon receipt, the formal written complaint is logged into the tracking system and assigned to a designated individual in the client service department. A thorough investigation is initiated and will include a review of all supporting customer account transactions, paperwork, and any recorded telephone calls applicable to the complaint matter.

If a participant submits a customer complaint via the participant website, the participant will receive an email acknowledgement. The complaint will be investigated by a designated manager and includes a thorough review of all supporting customer account transactions, paperwork, and any recorded telephone calls applicable to the complaint matter. Participants can also email their local representative, but the representative must refer any customer complaints received per the procedures described above. A formal written response is sent to the participant via U.S. mail after the investigation has been concluded.

If the complaint involves allegations of misrepresentation or other potential violation of securities regulations on the part of an active registered representative or other associated person, the complaint is forwarded to the compliance department of the GWFS Equities, Inc., broker-dealer for investigation with the representative. All customer complaints identified as relating to the securities business of the GWFS Equities, Inc., broker-dealer are in turn reported to the FINRA as required by FINRA Conduct Rules. Participant complaints submitted through third-party representation such as an attorney or filed with a regulatory agency are also forwarded to the legal and/or compliance departments for review, assistance with resolution, and tracking.

We are committed to conducting a comprehensive review of all participant complaint matters. If the investigation did not reveal errors or other wrongdoing as alleged, a letter of explanation will be sent to the participant that is responsive to the complaint matter. Where errors are confirmed, corrective action will be taken to resolve the matter appropriately, where governing regulations and company policies permit. It should be noted that quarterly account statements include a disclaimer advising participants of their obligation to review all such account statements for discrepancies.

Formal complaints are documented internally and shared with the Agency through a formal email process.



- Empower and its affiliates provide core recordkeeping, administrative functions and employee education and communication services. Certain ancillary services may be provided by third party suppliers, but we generally use our own resources and services. We rarely contract with outside vendors or subcontractors for services similar to those that are to be performed under a contract with the Agency. Such subcontractors do not include the affiliates and third-party suppliers generally used by Empower in its business to perform certain specific portions of the services.

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board 2014-2015 Annual Report

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The due diligence and oversight of vendors is performed by a team that includes the business stakeholders, legal, finance/procurement, and IT security. As part of our current vendor management project, we are in the process of centralizing the reporting and tracking of the various functions through our procurement department, and adopting a vendor risk management tool to facilitate vendor management and risk control.

To help ensure we partner with quality organizations, our oversight program includes the following elements:

- Appropriate due diligence in service provider research and selection
- Contractual assurances regarding security responsibilities, controls and reporting
- Nondisclosure agreements regarding systems and data
- Third-party risk ranking based on service and data shared
- Third-party review of the service provider's security controls
- Requirement to maintain incident response policies and contractual notification requirements, as applicable
- Financial viability review

Business stakeholders are asked to complete quarterly performance reviews of critical vendors. Such reports are tracked at the U.S. level and reported on a global basis to our parent company for enterprise risk management purposes. In addition, vendors are periodically asked to re-certify that their answers on our due diligence survey remain true and correct.

Vendors that handle sensitive data of our customers or personnel are subject to an annual review by our IT security that includes completion of a security survey and provision of certain. Certain vendors are also subject to on-site audits by the IT security team.

4.2.1.2.4 TPA should conduct ongoing retirement planning education and distribution counseling in each of the counties of the state with TDC plan members, by at least one educational representative solely dedicated to the TDC Plan.

- Provide an overview of an individual consultation, including frequency and location.

Empower partners with the Agency to provide individual educational meetings regularly. All counties are divided into eight regions. Each region has a designated time, (quarterly) in which Chris Meadows will be in that area and able to meet with plan participants on-site. Chris contacts the central office in every county to obtain permission to access the schools and gather any information helpful in scheduling meetings. Chris then contacts the principals of these schools to schedule on-site meetings. Additional efforts to communicate these meetings may include an email or phone call directly to participants announcing a meeting at their location.

A typical individual meeting may include the following: representative information, overview of plan features and highlights, website and/or technology options, beneficiary updates and retirement readiness review.

Empower stresses the importance of an annual account review and encourages all participants to take advantage of these opportunities when possible. An invitation is sent via a quarterly statement stuffer and/or individual mailings. Participants are encouraged to contact Chris Meadows to schedule an individual consultation conducted at the participants' place of employment or a neutral location.



## West Virginia Consolidated Public Retirement Board

State Chairman: James H. Thompson, Board Chair: Robert L. Thompson, Jr.

- Discuss the subjects and contents of on-site group education.

We will provide the Agency's employees with education and planning meetings as described below.

### Group Meetings

We believe one of the most effective ways to communicate with employees is to conduct regularly scheduled meetings to orient employees with the plan. By providing a foundation of knowledge relative to the program, group meetings help make it more likely that employees will fully understand and take advantage of the benefit provided by the plan. Group meetings cover the following topics:

- The rules applicable to the plan
- The key provisions of the plan's program
- The investment options and advisory services, if available
- Education tools and illustrations
- Discussion of plan services such as the voice response system, Internet usage, retirement planning, and investment seminars

### Online Education Seminars

Our education program is designed to be delivered in a classroom environment and supplemented with interactive educational services and tools on our website. The following table provides a listing of the available seminars.

Financial Education	
<ul style="list-style-type: none"><li>• Budgeting</li><li>• Retirement Planning: An Action Plan for Baby Boomers</li><li>• Retirement Planning: An Action Plan for the Next Generation</li><li>• Retirement Planning for Generation X</li></ul>	<ul style="list-style-type: none"><li>• Retirement Planning: An Action Plan for Women</li><li>• Understanding Your Distribution Options</li><li>• Tax Benefits</li><li>• Knowledge is Retirement Power</li><li>• Market Volatility</li><li>• Kids and Money</li></ul>
Learn to Invest	
<ul style="list-style-type: none"><li>• Basic Investment Education</li><li>• Options for Investing</li></ul>	<ul style="list-style-type: none"><li>• Steps to Building an Investment Strategy</li><li>• Advanced Investment Education</li></ul>
Investment Products	
<ul style="list-style-type: none"><li>• Advisory Services</li></ul>	
Retiree Outreach	
<ul style="list-style-type: none"><li>• Retirement Distribution Options</li><li>• Preparing for Retirement</li></ul>	<ul style="list-style-type: none"><li>• Protecting Your Retirement Savings</li><li>• Reinventing Retirement</li></ul>

- How often will your representatives hold individual and group meetings?

Chris Meadow partners with the Agency to offer on-site educational and retirement review meetings regularly throughout the state. All 55 counties are divided into eight regions. Each region is designated a time (quarterly), in which Chris will be in that area and able to meet with plan participants on-site.

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board 1000 17th Street, S.W. Charleston, WV 25304

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- Discuss your ability to customize forms and materials.

We recognize plan sponsors need communication that educate and help employees meet their retirement goals. Our comprehensive program meets the challenge by providing effective customized communication materials that satisfy the needs of the plan in the following areas:

### Plan Information

- Plan highlights
- Advisory Services Guide

### Ongoing communication

- Overviews
- Posters
- Fund change communications
- Statement narratives
- Annual customized targeted campaign
- Seminars
- Pre-approved campaigns

Empower supports the plan's disability requirement by providing customized Disability Forms and the Separation from Service forms.

Empower is currently providing a custom communication and education program for the plan and pledges to continue working with the plan to refine and enhance the program in order to achieve the plan's goals and objectives. We recently partnered with the plan to conduct a beneficiary campaign and we are now working with the plan to send out an asset allocation campaign for next quarter.

#### 4.2.1.2.5 Describe how you monitor the age 70-1/2 minimum distribution requirements and how you address minimum distribution requirements for members who are still working.

To assist participants with RMD obligations, our recordkeeping system generates a report that identifies participants who are reaching age 70½. We send a letter explaining the requirement and necessary steps during the third quarter to all participants who will reach age 70½ in the upcoming year and who have not elected a fixed annuity or a periodic payment as mandated by the RMD. Participants may request their RMD through the participant website, via a form or by speaking to a retirement representative.

If the plan is able to provide required information, we can offer an automated distribution of the RMD if the participant does not respond to our notification.

Additionally, if the plan offers lifetime installment payments, participants may elect automated RMDs by completing the Automated Minimum Distribution Request Form and receive the required payment monthly, quarterly, semiannually or annually.

Prior to processing the RMD, we request verification of the separation from service date. A security alert (text and/or email notification) is sent to the participant for all disbursement requests.

Empower processes Code 401(a)(9) distributions based on plan provisions and generates annual reports to identify participants who reached age 70½ or older during the current year.

Participants in this population who are 5% owners and terminated participants with account balances, must receive minimum distributions. The plan does not currently require active participants to receive minimum distributions.

4.2.1.2.6 TPA should provide an interactive voice response system.

- Describe the interactive voice response (IVR) and Internet systems your company would provide, including system age and hours of accessibility. Discuss the security features in place to ensure only the correct participant is given personal information, system access controls, your Personal Identification Number (PIN) generation capabilities and on-going PIN administration capabilities, and if the NR and Internet systems are integrated in the recordkeeping system. Include information on the vendor providing your NR and Internet access software and hardware and how many plans currently utilize these systems.

**Voice Response System**

**Overview**

Our toll-free voice response system is available 24 hours a day, seven days a week. Participants can speak or use the keypad to navigate the prompts. Menus are prioritized by importance, followed by frequency of use, and callers have the option to speak to a retirement representative at any point during the call (during normal business hours).

Through the voice response system, participants are able to complete the following transactions and inquiries:

Transactions	Inquiries
Update investment elections	Account balance
Transfer or reallocate investments	Current unit values or share prices
Establish automated rebalancing	Transaction history
Change PIN or issue temporary PIN	Current allocations
Request statement	Fund performance

**Age**

Our voice response system was initially designed by Periphonics and implemented in 1989. The platform transitioned to Avaya Orchestration Designer in 2016. Scheduled system enhancements may occur five times annually.

**Hours of Accessibility**

Our voice response system is available 24 hours a day, seven days a week.

**Security**

To preserve the integrity of sensitive information and to protect against unauthorized access, participants are required to enter a username or SSN and their PIN to obtain account information or to initiate any changes. If the PIN is not known, the system will generate a temporary PIN delivered via mobile phone, email or address of record.

The system maintains an audit trail for all activity on the voice response system, and confirmation numbers are generated for all participant transactions. A confirmation statement is available on the participant website within two business days after the transaction date.

**Participant Website**

**Overview**

As previously detailed, Employees are encouraged to engage in the participant experience – **anytime, anywhere** – using our proprietary iPhone/iPad and Android app and responsive design technology.

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board | 1000 Capitol Building | Charleston, WV 25303-2000

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To encourage retirement plan engagement like never before, the core of our participant experience uses one's total plan balance and other factors to provide a projected monthly retirement income view – ***My Estimated Retirement Income*** – on the landing page. Immediately upon accessing their account, participants will see what they are on track to receive, how they stack up against their goal and a proposed next step. Our innovative approach to retirement planning connects with participants and inspires them to take action by demonstrating the important link between saving, investing, and their estimated monthly retirement income.

Our intent is to help participants quickly and easily:

- Translate retirement savings and other assets into estimated monthly retirement income.
- Model different retirement age and/or investment mix (stocks and bonds) using easy-to-use interactive sliders.
- Assess the impact of including estimated Social Security benefits in their planning.
- Predict the potential income from outside sources, such as IRAs, mutual funds, and defined benefit plan estimates.
- Instantly implement changes to investment mix.
- Determine next steps to help boost income in retirement.

We have found a unified approach is easy for individuals to understand and enable them to take control of their retirement goals. Beyond the individual retirement income projection, our experience incorporates explicit views of personalized healthcare expenses, allows each participant to see how they compare to the top savers in their peer group, provides budgeting and planning information, and more – in one unique experience.

### ***Social Comparison***

Behavioral economics is a powerful motivator to increase savings. Our ***How Do I Compare?*** functionality shows participants where they stand in progress toward their goal of income replacement, alongside peers and top savers within their demographic profile. This feature provides a comparison personalized by age, salary and gender. Participants can further tailor their results by changing age, salary and gender information.

### ***Age***

We have had participant and plan sponsor websites since 1997.

### ***Hours of Accessibility***

The participant website is available 24 hours a day, seven days a week. All transactions submitted prior to market close are processed on the same business day. Transactions received after market close or on a non-business day are processed the next business day.

### ***Security***

As previously detailed, our websites utilize the most sophisticated security technologies available, and we continually update security protocols as new technologies become available. Our database is protected by a highly secured firewall and a series of filtering mechanisms.

### ***Participant Website Authentication***

As part of the filtering mechanisms, a participant must have a user name and password to view their account information. To register, individuals must complete a five-point authentication process to confirm their identity.

A participant may change their login information through the participant website or by contacting a retirement representative.

#### **Lost Passwords**

In the event of a lost password, the participant's identity is verified through a multi-factor authentication process. After being authenticated, the participant receives a verification code by phone, email or text message to reset the password.

#### **Audit Trail**

The system maintains an audit trail, which includes the user responsible for the activity, for all account updates done via our participant website. This information and any updates are retained on a permanent basis.

#### **Confirmation Statements**

A participant receives a confirmation number upon completion of any transaction. We advise participants to print the confirmation immediately in order to retain a copy for their records. A copy of the confirmation will also be available on the website.

#### **PIN Generation**

When participants or eligible employees are added to the recordkeeping system, they are able to register their account and complete online enrollment at any time, without a system generated password. The participant is guided through the account verification process, which features multifactor authentication. Once registered, participants are brought immediately to the simple enrollment screen – making it easy for employees to quickly enroll in the plan and start engaging in the participant experience.

#### **PIN Maintenance**

Participants who need to reset their password via the participant website can do so by clicking the *Login Help* link. The participant enters his or her SSN, zip/postal code, last name, date of birth and the numeric portion of the street address on file. Once this information is validated, the participant receives a code to a previously stored method of choice (phone, email or text). Once the authentication code is entered, the participant is able to view the current username and change the password.

Participants can change or replace their password at any time through the *Profile* section of the participant website.

#### **Integration**

The proprietary design of our recordkeeping system enables us to fully integrate with the voice response system, plan sponsor and participant websites, and the systems used by our participant services center. Through this process, when information is added or updated through any channel by any user or process, the information flows immediately to and from the recordkeeping system and updates all appropriate data. The result is immediate accessibility to real-time information for the Agency, its participants and Empower.

#### **Voice Response System Software/Hardware**

Empower's voice response system is an enterprise interactive voice response system speech enabled, self-service application which uses the Avaya Voice Portal. Detail regarding the product platform and hardware is provided below.

#### **Product Platform Information**

- The Avaya Voice Portal currently has 408 incoming ports available
- The application was developed using Avaya's dialog Designer version 5.1 which includes corresponding IC and Computer Telephony Integration (CTI) connectors.
- Telephony/CTI integrates to Avaya IC 7.2 and Avaya CTI Adapter (for Salesforce) and Empower is responsible for all CTI installation and configuration

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Case: 17-127, 2019-01-10, 10:00 AM, 0000 - CRFP 0203 CPR1900000005

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- The telephony cloud provides callers access to the voice response system. Users of the voice response system utilize a telephone to perform the various functions available through the voice response system. A call will come into the Verizon network which will query the CTI system to determine how to route the call. Once routed, the call will go into the Avaya Communications Manager Gateway. The Gateway will determine which Media Processing Platform (MPP) to route the calls to. The ANI and DNIS values are sent from the Avaya Communication Manager Gateway to the MPP.
- The following products are provisioned on the platform using the most recently certified version:
  - Nuance Recognizer 9.0.x (Tier 3)
  - RealSpeak 4.5.x
  - Nuance Core Open Speech Dialogue Module 2.0.x (\*OSDM)
  - Nuance Address OSDM 2.0.x

### Hardware

- Six Dell PowerEdge M630 Blade systems; three systems in a Dell chassis in both Denver and Andover
- Each blade system has
  - 2x Intel Xeon E5-2695 v3 2.30GHz Processor CPU (14 core)
  - 256Gb DDR Memory
- 29 Redhat RHEVM VM guests servers [RHEL v6.7]
  - Located in Denver:
    - Three Development servers
    - Four Testing/QA servers
    - Eleven Production servers
  - Eleven DR/BCE servers located in Andover
- Each VM server currently has:
  - 2 (2 sockets 1 core each)
  - 4Gb of memory
  - 35Gb base OS file system disk storage allocation
  - Each system has a specific application file system NFS based disk allocation

### Internet Software/Hardware

For our website applications, we use Apache servers running on RedHat Linux, which communicate to BEA WebLogic application servers running on Solaris. Our internal Oracle forms and batch applications also run on Solaris servers. All applications access our Oracle databases and are on Solaris servers. The desktop and scanning environments contain Dell PCs running Windows that connect back to either our Oracle forms or web applications as appropriate.

### Plans Using System

As of March 31, 2019, there are 38,996 plans, totaling approximately \$596 billion in assets, on the recordkeeping system.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board and Employees' Retirement System

4.2.1.2.7 Describe the on-line inquiry and transactional capabilities your systems support, including the hours systems are available, routine maintenance periods (include statistics for the past twelve (12) months on down time other than routine system maintenance), and capabilities for inquiries and transactions. Specifically include how each of the following activities is supported:

- Account balance information
- Fund performance
- Account balance reallocations
- Investment allocation changes
- Vesting
- Distribution initiation
- Plan provision explanations/assistance
- Tax status information
- Estimated benefit calculator

### Available Hours

The participant website is available 24 hours a day, seven days a week. All transactions submitted prior to market close are processed on the same business day. Transactions received after market close or on a non-business day are processed the next business day.

### Maintenance

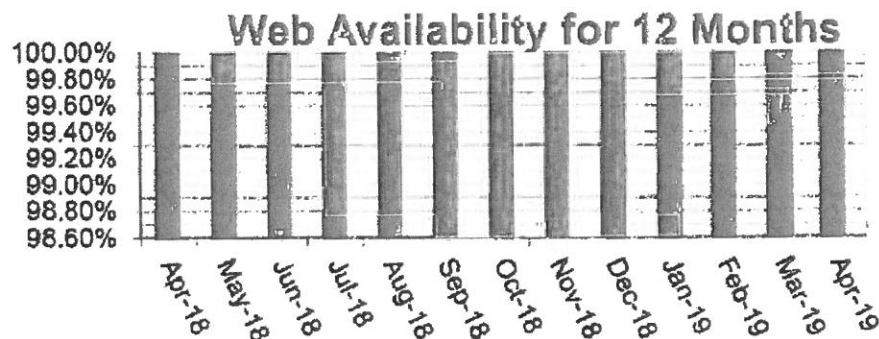
We reserve 12 hours per week for planned downtime; however, the outage usually lasts a few minutes or less.

### Downtime

We make every effort to maintain availability at a high level, which includes a contractual system availability target of 99%. When an unscheduled system outage occurs, downtime durations are usually a few minutes and the event is promptly escalated to the appropriate support area for timely remediation.

Downtime dedicated to the weekly maintenance window is not calculated into the unscheduled outage figure. The actual number of hours we may be down during this window is not reported.

Our website availability statistics for the past twelve months is below:





## West Virginia Consolidated Public Retirement Board

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### Account Balance Information

Immediately upon logging in, participants see their total account balance. From this screen, participants can select My Accounts to view more detailed information. Additional information includes year to date contributions, rate of return and current contribution percentage.

### Fund Performance

Participants can access investment information, including fund performance from the My Accounts section of the participant website. Personal rate of return is available in the Account Overview section, while specific fund performance information is available under the View/Manage my Investments menu. Participants can click on any fund to link to the Morningstar Fact sheet for that fund.

### Account Balance Reallocations

By selecting the Balance option on the Account Overview menu, participants can see their current balance, asset allocation, balance over time and balance comparison. Participants can change their current allocation easily from the home page. The comparison tool allows the participant to model various scenarios and make changes with two clicks.

### Investment Allocation Changes

Investment allocation changes can be made from the View/Manage My Investments menu in the My Account section of the participant website. Participants can opt to rebalance their portfolio, change how future contributions are invested, change how current balance is invested or dollar-cost average.

If participants are unsure how to invest, the participant website features:

- An investment style and strategies component within the retirement calculator to help determine the appropriate allocation between stocks, bonds, and cash based on investment style.
- The Wellness and Financial Center (Me & My Money) offers resources regarding basic investment strategies.
- A *Help me do it* option to assist the participant with the selection of a target date fund, risk-based fund based on the level of risk a participant is willing to take, or a pre-selected model portfolio based on the funds available within the plan.
- Investment sliders that allow a participant to build his or her own portfolio and readily see the resulting mix between equities and bond, as well as asset classes.

### Vesting

Participant vested account balance information is available in the Account Information/Balance menu.

### Distribution Initiation

Distributions can be requested from the My Accounts section of the participant website. Participants can view current vested balance and request a distribution based on plan rules.

### Plan Provision Explanations/Assistance

Plan information, including forms and disclosure notices are available from the My Accounts screen, Plan Information menu.

### Tax Status Information

Statements and notices are available from the My Accounts screen under the Account Information menu. Participants can view or print forms from the Statements and Documents section.

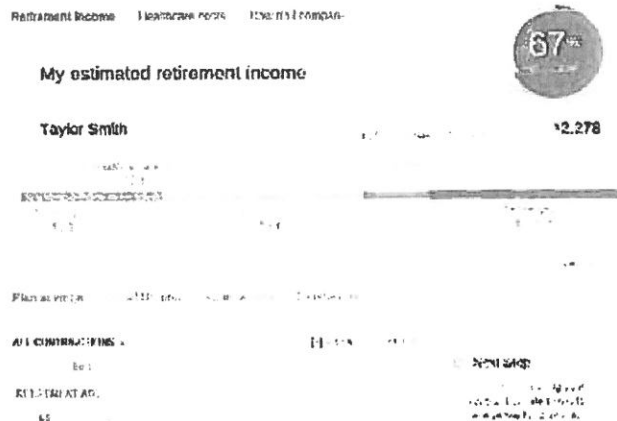
## West Virginia Consolidated Public Retirement Board

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### Estimated Benefit Calculator

**My Estimated Retirement Income** is the first thing your participants see when they log on. Participants see what they are on track to receive, how they stack up against their goal and a proposed next step. Our intent is to help participants quickly and easily:

- Translate retirement savings and other assets into estimated monthly retirement income.
- Model different retirement-plan contribution rates, retirement age and/or investment mix (stocks and bonds) using easy-to-use interactive sliders.
- Assess the impact of including estimated Social Security benefits in their planning.
- Predict the potential income from outside sources, such as IRAs and mutual funds.



### Capabilities

As previously detailed, the following table details the account service and transaction capabilities available via the [wvteachersdcp.com](http://wvteachersdcp.com) custom participant website.

View Account Information	
• View balance	• View pending transfers
• Balance history	• View completed transactions
• Account summary	• Withdrawals
• Current allocations	• Custom transfers
• Asset allocation	• Statements on demand
• Asset allocation comparison	• Individual rate of return
• Deferral	• Quarterly statements
• Contribution history	• Transaction history
• Personal profile	• Advice and managed account services
• Beneficiary	
Change Account Information	
• Cancel transfer	• Fund transfers
• Automatic rebalancing	• Change PIN
• Forms	• Dollar cost average
• Distributions	• Beneficiary
• Change personal profile	• Change username
• Address change, terminated participants only	

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board 2019 Model CPR1900000000

### Investment Options

- Fund values
- Fixed returns
- Fund benchmarks
- Online prospectus
- Fund performance
- Fund overview
- Fund values graph

### Education and Planning

- Getting started
- Distributions and rollovers
- Plan FAQs
- Paycheck analyzer
- Budgeting, planning and day-to-day finances
- E-learning
- Advice and managed account services
- Become an educated investor
- Managing money in retirement
- Asset classes and mutual funds
- College planner

### Plan Information

- Plan documents
- Prospectuses

### Forms (additional forms are available depending on the needs of the plan)

- Beneficiary forms
- Discuss the language options available for your system.

### Participant Services Center

We have retirement representatives who speak Spanish and a number of other languages. We can also assist participants through our language line service provided by Voiance. Through the language line service, our retirement representative and the participant are placed in telephone conference with our translation service provider who will translate the conversation between the foreign language speaking participant and our retirement representative. Our language line service has the capability to provide translation services in more than 200 different languages.

### Voice Response System

We offer a Spanish version of the voice response system. Additionally, participants can be transferred to a Spanish speaking representative and we can also assist participants through our language line, which provides translation in more than 200 languages. This feature is available to all of our clients.

### Communication and Education

Available Spanish communication and education materials included, upon request:

- Employee meetings
- Education handouts
- Participant statements

In 2020, we will introduce Spanish translation services for the two most prominent web pages of our participant experience. Individuals who select Spanish as their language preference will access the home and account overview pages in Spanish and will be guided through the complete experience using Spanish-translated navigation. Currently, the Empower Retirement Security Guarantee and the security tips page of the participant website are available in Spanish.

## West Virginia Consolidated Public Retirement Board

Board Meeting and Agenda for the Board of Directors of the West Virginia Consolidated Public Retirement Board

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- Describe the interface between the IVR and/or website if a participant elects to move from the IVR and/or website to a service representative

Participants can elect to transfer from the voice response system to a retirement representative at any time during normal business hours by pressing zero (0) or using the voice command feature. Participants are also given the option to transfer to a representative following their access to the main menu.

Representatives are available Monday through Friday 8 a.m. to 10 p.m. Eastern time, excluding financial market holidays, and Saturday from 9 a.m. to 5:30 p.m. Eastern time.

- How often is the data on the website updated?

Our fully integrated recordkeeping system allows website data to be updated in real-time for most transactions. The completion of some financial transactions requires the closing price.

- How do the IVR and website interface with the recordkeeping system?

All of our systems are fully integrated, real-time systems. Applications are custom-written, installed and fully integrated for each channel of communication interacting with the recordkeeping system. Each application is written on a different platform and linked to the system. Through this process, when information is added or updated via the website or through any channel, the application or link flows to and from our recordkeeping system, processing and updating the data.

4.2.1.2.8 It is preferred that the TPA distribute a TPA developed and Agency approved educational newsletter and any "statement stuffers" communications as deemed necessary by the Agency to all plan participants using the distribution method that the plan participant has elected for their quarterly statements. Please provide an example of the educational newsletter.

Your communications team worked closely with the Agency to update the look and feel of your quarterly newsletter. We offer three versions from which the Agency may choose and have included samples with the Exhibits.

### 4.2.1.3 Investments

4.2.1.3.1 TPA should provide a wide spectrum of investment options, including target date investment series, without front or back loads or other charges, based on best of class, and that best meet the needs of the members and beneficiaries of the TDC Plan. (Agency will not accept options that include proprietary funds only and may require the TPA to use certain funds.) The Agency's Board has ultimate discretion in final selection of investment options.

- Discuss your ability to provide investment options for the TDC Plan, disclosing whether you would be providing the investments in-house or through external managers.

We offer an open architecture platform with no proprietary requirement. The Agency can build an investment menu using the 18,290 investment options available on our platform from 267 participating mutual fund companies (as of February 1, 2019). Our goal is to offer you the ability to select investment options on a best-of-class basis with no constraints.

It is important to note that the Agency currently utilizes some of our proprietary funds in your lineup today.

- How long have you been providing investment services?

We have provided investment management services and have administered not-for-profit, public and corporate defined contribution plans since the 1940s.

- Discuss the number and types of investments you have available.

As previously detailed, the Agency can build an investment menu using the 18,290 investment options available on our platform from 267 participating mutual fund companies (as of February 1, 2019).

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board Agenda Item # 10.00000000

- What is the name of your custodian and will it act as trustee for all TDC Plan assets?

We are proposing Great-West Trust Company (GWTC) to provide the custodial services for the plan. GWTC will act as trustee for all TDC plan assets.

GWTC provides directed trustee and custodial services to employer sponsored retirement plans for corporations and non-profit organizations, as well as government entities. A wholly owned subsidiary of GWL&A, GWTC has been providing these services since 1998. As of December 31, 2018, GWTC acts as trustee, custodian, or sub-custodian for more than 21,000 employer sponsored retirement plans and 97,000 IRAs representing more than \$270 billion in assets.

- Discuss your screening process for selecting investment options to recommend to a client (and specifically the investment options you propose for the TDC Plan).

Great-West Investments™ (GWI) will assist as requested with fund evaluation, selection and portfolio construction. Conformance with a plan's investment policy statement (IPS) is a cornerstone of GWI's analysis. As such, GWI relies on the IPS as the blueprint for screening investment options.

To help the plan sponsor identify who they believe are the most compelling investment managers, GWI screens both the list of funds with which Empower currently has trading agreements and the Morningstar Mutual Fund Universe. The IPS uses screens that categorizes each fund and incorporate the benchmarks of the IPS, which results in a list of funds per category that meet the designated standards.

The initial screen yields a short list of managers that scrutinizes both returns-based and holdings-based style analysis. Investments are evaluated based on their performance net-of-fees relative to their peer group (Morningstar Category) over a three-, five-, and 10-year basis. Our analysts also consider risk-adjusted performance such as Sharpe ratios, Morningstar ratings, and alpha, beta, and R-squared opposite a relevant benchmark.

Once the funds pass the initial screens, additional research begins, including a review of the respective mutual fund companies, manager tenure, performance in multiple market environments, turnover ratios, fund diversification, and consistency of performance.

- Discuss how you monitor and evaluate funds, including the ongoing monitoring of each fund and fund manager against the TDC Plan Investment Policy.

As detailed above, GWI will assist as requested with fund evaluation, selection and portfolio construction. Conformance with a plan's IPS is a cornerstone of GWI's analysis.

- Discuss your proposed standards for putting an investment on "watch" status and for removing and/or replacing an investment from the list of options offered (including mapping).

As stated previously, GWI will conform to the plan's investment policy statement with regard to when an investment should be placed on a "watch" status. Should the IPS not provide criteria for placing on fund on a "watch" status, GWI will discuss possible candidates for "watch" status with the plan sponsor during the course of regular investment review meetings. Reasons an investment may be placed on a "watch" status include underperformance versus stated benchmarks and peer groups, substantial manager turnover, a change of control in the sponsoring fund company, or other non-performance issues.

- Describe how you offer specific investment advice to individual participants and your associated fiduciary duties.

Chris Meadows

Your local RPA, Chris Meadows, has the FINRA Series 65 registration, and is trained on the appropriate technology to use when meeting with participants and providing investment advice. Using the technology, Chris acts as a fiduciary and provides recommendations for specific funds, savings rates, and spend down

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Consolidated Financial Report of Assets and Liabilities for the Fiscal Year 2014

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options. Chris can explain the recommendations and help the participant consider different outcome scenarios. Participants can then implement the recommended changes on-site with Chris' assistance.

Chris completes a personalized, comprehensive retirement readiness review with each employee who desires one. This review encompasses all relevant participant data including spousal and outside assets, when the participant wishes to retire and how much of their current income they will need in retirement. He uses this information to make fully relevant recommendations.

Chris will also facilitate the use of Online Advice for any employee electing to use Advisory Services. He can model different retirement income projections and deliver specific recommendations to the participant's portfolio and savings strategies. The nature and complexity of account structures and available investment alternatives are thoroughly addressed and real-world frictions including management fees, portfolio turnover, and taxes can be analyzed and explained to the participant to provide truly personalized advice. By delivering this information in person, participants receive the benefit of asking questions, discussing areas of concern, and applying the recommended changes with the help of a partner who can guide them through each step.

We offer Advisory Services through our wholly owned subsidiary and registered investment adviser AAG. Using a program powered by Morningstar Investment Management LLC, we offer investment advisory resources and services, including My Total Retirement.

AAG serves as the registered investment adviser and 3(21) fiduciary for online advice. Morningstar Investment Management serves as the sub-advisor to AAG to provide fund-level advice to participants based on the investment options in your core lineup.

My Total Retirement provides professional investment services through a user experience that is integrated into the Empower participant experience. Participants who choose to enroll in My Total Retirement will receive:

- A personalized savings and investment strategy — created, implemented, monitored and managed by investment professionals.
- An integrated, multi-channel communication experience designed to drive positive action.
- Access to specially trained investment adviser representatives, who are dedicated to My Total Retirement.
- A strategy that evolves for each stage of the retirement journey.
- A spend-down strategy designed to maximize income in retirement, including recommendations to help get the most from Social Security.

Participants can personalize their profile to enhance further the customized strategy. By offering My Total Retirement, the Agency gives participants much more than savings and investing help. Participants have access to a comprehensive retirement experience built around them, their life changes, and their unique goals and dreams for the future.

### Online Advice

For employees who are not ready for My Total Retirement, online advice provides participants with access to self-service advice powered by the same methodology as My Total Retirement. This service can provide investment allocation recommendations and savings rate advice that a participant can choose to implement on their own. There is no cost to participants for this service.

- Discuss any investment advisory services you offer along with the cost structure that enable participants to elect the discretionary management of investments.

As described above, Advisory Services provides professional investment services through a user experience that is integrated into the Empower participant experience.



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The annual cost of this service is detailed below.

- Online Advice (no fee)
- Managed Account Service (tiered pricing fee dependent on the participant's account balance as detailed below)

Participant Account Balance	Managed Account Fee	
	Opt-in*	Opt-out**
Amounts under \$100,000	0.45%	0.40%
Next \$150,000, up to \$250,000	0.35%	0.30%
Next \$150,000, up to \$400,000	0.25%	0.20%
Amounts over \$400,000	0.15%	0.10%

\* With the Opt-In feature, eligible employees must elect to be enrolled in the managed account service.

\*\* With the Opt-Out feature, eligible employees are automatically enrolled in the managed account service. Participants can choose not to be enrolled in the service.

- Complete the chart in the Appendix II to demonstrate the investment options you propose (Investment Options Proposed).

Please see the Investment Options Proposed appendix in the Exhibits section.

- You do not have to propose an investment option for each category. Explain why you have chosen not to propose an investment option for any investment category.

As the incumbent, we included the funds currently in the lineup which does not include a government bond fund or TIPS fund. Government bond funds are highly correlated with the intermediate-term bond fund category, so it may be redundant. A TIPS fund may be appropriate, however their longer duration could present risks to participants in a rising rate environment.

- Describe your company's ability to provide pre-assembled asset allocation, target date series.

As the incumbent provider, Empower is currently accommodating the use of Great-West Lifetime Funds<sup>6</sup> as the plan's target date series.

Generally, the asset allocation of each target date fund will gradually become more conservative as the fund nears the target retirement date. The date in a target date fund's name is the approximate date when investors are expected to start withdrawing their money (generally assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal.

In addition, we have an asset allocation model solution which combines the investment advisory and asset allocation expertise of Morningstar Investment Management with functionality that allows customized fund selection by plan sponsors, and their selected financial advisors, who understand the unique needs of their participants.

Additionally, the asset allocation model solution offers financial advisors the option to create their own asset class mix for a glide path or risk template. This can include:

- Choosing the asset categories for the plan.
- Determining the percentage assigned to each asset category.

<sup>6</sup> Generally, the asset allocation of each target date fund will gradually become more conservative as the fund nears the target retirement date. The date in a target date fund's name is the approximate date when investors are expected to start withdrawing their money (generally assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal.



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Consolidated Financial Report for Fiscal Year 2018  
West Virginia Consolidated Public Retirement Board

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- Designing how the glide path will change over time to get more conservative as plan participants reach retirement age.

We offer two options: non-unitized and unitized as described below.

### Non-unitized

We provide an online interface the advisor uses to create asset allocation models. The interface provides an easy step-by-step approach to customizing models for plan sponsors. The steps are as follows:

- Enter glide path characteristics.
- Assign assets category percentages to the glide path.
- Assign fund allocation percentages for the glide path.
- Create the model.
- Review the model.
- Accept and submit the model.

Our asset allocation model performance solution is based on getting daily values from Morningstar Investment Management (including return plus capital gains and dividends) and calculating the change in those values and the weighted average of each fund in the model.

### Unitized

After market close, we receive the net asset values (NAVs) from the fund houses. After the NAVs are entered into our system, the system summarizes participant transactions and creates a net buy/sell trade ticket for each fund. The trade tickets are sent to the fund houses in a variety of methods the same evening, and settlement occurs the following business day. We also calculate the daily unit values for the custom profile funds.

A fund manager is responsible for making decisions related to any portfolio of investments (often a mutual fund, pension fund or insurance fund) in accordance with the stated goals of the fund. We can calculate the daily NAV for separate accounts in a similar manner to the methodology used for mutual fund NAVs. We do so by valuing the underlying securities using one of our pricing services. Daily cash flow is taken into account and the value of the portfolio is rolled up and divided by the outstanding shares. Income and expenses are typically included in the NAV.

- If you propose use of a stable value fund:
  - Describe the product, its structure, the current and minimum Interest rate guarantees, how Interest is credited, and the frequency of rate changes. Also provide the make-up of the underlying portfolio including asset type, percentage breakdown, credit quality, credit quality minimum guarantee, average quality, average maturity, modified duration, liquidity percentage, and yield to maturity.

We can continue to support the plan's current stable value fund with VALIC.

- Describe the methodology you use to calculate the interest rates, and when you will be able to provide the Agency a copy of your calculation.

Not applicable. We are proposing to maintain the existing VALIC fund. We will receive the interest rate information from VALIC.

- What is the current yield on your stable value fund?

Not applicable. We are proposing to maintain the existing VALIC fund.

- What yield and terms do you offer to the Agency?

Not applicable. We are proposing to maintain the existing VALIC fund.

- Describe the fund expense ratio for your stable value or equivalent fund and confirm that you will not assess any market-value adjustments.

Not applicable. We are proposing to maintain the existing VALIC fund.

- Discuss how the book to market differential will be handled should there be a termination of the contract prior to the end of the contract term.

Not applicable. We are proposing to maintain the existing VALIC fund.

- In the event of bankruptcy, where do the investors in the stable value fund stand in line of creditors.

Not applicable. We are proposing to maintain the existing VALIC fund.

- Specify and discuss your total weighted average revenue requirement.

Please see the Cost Proposal.

- Describe the investment options you propose be offered by completing the forms provided in the Appendix III. Two forms require listing proposed investments by category, annual rates of return as of June 30, 2018, investment objective, inception date, manager, manager tenure, assets, expense ratio, revenue sharing, 12b-1 and any other fees. An additional form requires listing target-date series and the annual rate of return for each.

Please see Appendix III in the Exhibits section.

- Discuss the fund(s) you would propose for the Qualified Default Investment Alternatives (QDIA) option and why.

The Agency currently uses the Great-West Lifetime Funds as the Qualified Default Investment Alternative (QDIA). We are not recommending any changes.

4.2.1.3.2 TPA should not impose any limitations such as maximum number of changes, contribution investment transfers or elections. However, the TDC Plan will consider an excessive trading policy.

Confirmed.

4.2.1.3.3 TPA should provide written confirmation of changes to Participant accounts within two (2) business days of the change.

Confirmed.

#### 4.2.1.4 Transition

4.2.1.4.1 TPA should provide a working plan that facilitates the transition.

As the incumbent provider, a transition is not necessary. However, we would like to take this time to collaborate with the Agency to create a project plan and discuss potential enhancements for the plan. Those enhancements may include turning on additional services, discovering opportunities for communications campaigns, and formalizing a strategic plan for improving participant outcomes.

## West Virginia Consolidated Public Retirement Board

### Consolidated Public Retirement Plan Conversion Process

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- Provide a detailed transition plan, including your team; a Gantt chart with proposed commencement date, schedule and status meetings; responsibilities of the Agency, the TPA and any other necessary entity; and any other information you believe is appropriate. If a blackout period is required, discuss its length and any other restrictions. (Note: This will be a working document and will be amended and updated as needed if your firm is selected as the TPA.)

As the incumbent provider, a conversion is not necessary. As stated above, we would like to spend time creating a project plan with the Agency which will formalize a timeline for implementing agreed upon services, campaigns, and other administrative items, if applicable.

For responsiveness, we have included a sample timeline for a typical government plan implementation. Since this is not applicable, we can provide a Gantt chart upon request; however, we are not providing one at this time.

#### Conversion Timeline Sample

Please see the sample Implementation Timeline in the Exhibits section.

#### Implementation/Transition Team

We have designated and experienced transition teams. The conversion teams include personnel from our recordkeeping department, administration, and systems development. The conversion team works with the ongoing service team from day one to help ensure a smooth transition and is available during the transition phase as well as the ongoing service phases.

Our team approach is successful in providing the necessary structure and the technical assistance to install and implement many large state, county, and city plans as efficiently as possible.

Members of the team include:

- Marybeth Daubenspeck, Vice President, Government Markets
- Donald J. Jurgens, Managing Director, Government Markets
- Phyllis Henderson, Director, Implementation (If conversion were required.)
- Bryan Pearl, Manager, Client Services Government Markets
- Jennah Ross, Senior Client Service Manager
- Chris Meadows, Retirement Plan Advisor
- Jennifer L. Bailey, Communication Lead, Government
- Megan Jurassic, Strategist Participant Communications, Government

Please see the service team biographies in the Exhibits section.

#### Blackout Period and Restrictions

It is common for the prior recordkeeper to implement a brief blackout period to allow for reconciliation of participant accounts before the conversion. A blackout period is often considered critical to a conversion's success and the duration is determined by the system capabilities and personnel of the prior recordkeeper. The following transactions are restricted during a plan's blackout period:

- Any distributions from the plan.
- Fund allocation changes and/or fund transfers.
- Deferral updates.
- Beneficiary changes.

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- **Provide a chart mapping the current investment options to the proposed investment options.**

- Describe how you ensure accurate transfer of all assets at fair market value.

At conversion, assets may come to Empower by two different methods:

- It is common for a plan to use both methods; some funds are liquidated while other funds are transferred in-kind. Empower will work with the prior recordkeeper and fund providers to help ensure the transfer instructions are clear.

- As the incumbent provider, this question does not apply; however, for informational purposes, please see the below.

If contributions are received for a participant who is not set up on our system, we establish a default fund at the participant level so that the contributions can be accepted. The participant receives a notification explaining that his or her contributions were placed in the default fund and that new allocations for future contributions are established.

- Please see the Proposed Communication Plan in the Exhibits section.

- As the incumbent provider, this question is not applicable. However, per proposal requirements we have responded below.

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In order to provide effective communication to participants regarding the transition, we use our on-site conversion team to facilitate communications with plan participants. Starting approximately six weeks in advance of the records conversion effective date, our teams provide group meetings across the various locations and shifts of the affected participants. These meetings are organized and publicized through our various communication pieces that are mailed to participants several weeks prior to the commencement of the group meetings.

With the client's input and approval, there are several communication resources Empower recommends for the awareness and transition program:

**Transition bulletin:** This brochure provides information about the plan changes, introduces Empower, details the transition, explains all new enhancements, provides an overview of the investment options, provides blackout notification of when they have access to their account, and provides contact information. This brochure is mailed to all current participants using the previous recordkeeper's address file.

**PowerPoint presentation:** This presentation is used during the education meetings and includes an explanation on the details of the transition, why the change was made, and details such as the investment options, account management tools, participant services centers locations, etc.

**Investment Information:** This includes investment performance and fund data sheets. It is distributed during education meetings.

- Describe how you intend to conduct the ongoing in-person educational meetings if the Agency should request those services. Provide a complete description of the topics to be covered and describe your company's abilities to provide the necessary information in a clear and accurate manner.

Our on-site RPA, Chris Meadows, will schedule both group and individual meetings with each of the agencies and employers in the different areas. Participants can schedule an individual meeting by contacting Chris in advance via email or telephone. Group meetings provide helpful information about overall financial wellness and topics of focus include financial planning, budgeting, comprehensive retirement planning and Social Security, outside retirement assets (IRA, previous 457/401k), spousal assets, college savings and more.

For participants who prefer to have one-on-one meetings, individual counseling sessions can be scheduled with Chris. In an individual counseling session, participants may address topics such as:

- A fully personalized retirement readiness review
- A comprehensive gap analysis illustrating for each employee whether they are on track to replace their working income in retirement (including pension and social security, if applicable) and, if not, what options are available to get them prepared
- A complete plan investment review showing each employee all of the plan investment options available and the benefits of proper asset allocation
- Online advice or Advisory Services options
- A complete, personalized paycheck illustration showing each employee the effect of participating in the program and the impact on their take home pay
- The maximum that can be contributed to the plan for each employee
- Determining the most advantageous participation level for each employee
- How the pension works and what it is likely projected to provide the employee in retirement
- Social Security options for each individual

## West Virginia Consolidated Public Retirement Board

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### Online Education Seminars

Our education program is designed to be delivered in a classroom environment and supplemented with interactive educational services and tools on our website. The following table provides a listing of the available seminars.

Financial Education	
<ul style="list-style-type: none"> <li>Budgeting</li> <li>Retirement Planning: An Action Plan for Baby Boomers</li> <li>Retirement Planning: An Action Plan for the Next Generation</li> <li>Retirement Planning for Generation X</li> </ul>	<ul style="list-style-type: none"> <li>Retirement Planning: An Action Plan for Women</li> <li>Understanding Your Distribution Options</li> <li>Tax Benefits</li> <li>Knowledge is Retirement Power</li> <li>Market Volatility</li> <li>Kids and Money</li> </ul>
Learn to Invest	
<ul style="list-style-type: none"> <li>Basic Investment Education</li> <li>Options for Investing</li> </ul>	<ul style="list-style-type: none"> <li>Steps to Building an Investment Strategy</li> <li>Advanced Investment Education</li> </ul>
Investment Products	
<ul style="list-style-type: none"> <li>Advisory Services</li> </ul>	
Retiree Outreach	
<ul style="list-style-type: none"> <li>Retirement Distribution Options</li> <li>Preparing for Retirement</li> </ul>	<ul style="list-style-type: none"> <li>Protecting Your Retirement Savings</li> <li>Reinventing Retirement</li> </ul>

- For each type of In-person communication effort, indicate how you propose to coordinate meetings so that all interested members have an opportunity to attend a meeting at a convenient location.

Chris will work closely with the plan to outline a schedule of times and locations for meetings. We partner with the Agency on communications to help ensure that the staff knows the dates and times when the meetings will be held. We also make sure that the schedule is structured so that all shifts are accounted for and employees can easily attend a meeting before, during, or after work. In addition, we will provide resources for any hours of the day or night that make sense, to provide optimal availability for meeting attendance.

- Indicate if you require conversion data to be in a standard format. If so, provide sample specifications. Has your firm transitioned a plan from the current recordkeeper (Empower Retirement Services)? If so list the plans and describe the transitions. If not, state any extra charge to re-format on the Cost Proposal form and indicate if this will cause any delay

As the incumbent provider, this question is not applicable. However, per proposal requirements we have responded below.

We do not require a specific format for participant records as long as a detailed file layout is provided with the records. We will work with your existing vendor to communicate file specifications, file transfer protocols and timelines. To protect the integrity of the data and to help ensure timeliness, we request that records be sent in a secure electronic format.



## West Virginia Consolidated Public Retirement Board

- Provide the names of other similar plan sponsors, along with the name and telephone number of a contact person, with whom you have been involved in a plan transition during the last three years.

Due to the extensive list of clients gained and lost in the past three years, we have not provided a list with their contact information. However, we have provided one with similar scope and services to the Agency's.

City of Tallahassee, Florida

Contact Name: Angel L. Charlton

Telephone Number: 850-891-8278

- State the number of transitions your company has conducted in the past year, the past three years and for public sector plans.

	2018	2017	2016
Total Conversions	2,679	3,416	3,244
Government	61	49	26

#### 4.2.1.4.2 TPA should provide accurate conversion of data.

- Describe how your Firm will ensure all data conversion is accurate and complete.

As the incumbent provider, this question is not applicable. However, per proposal requirements we have responded below.

We transfer historical records based on the data provided by the prior recordkeeper. We complete an audit for reasonableness of the conversion data before proceeding with the transfer of historical data. We provide the conversion data for your review and approval prior to completing the conversion.

#### 4.2.1.4.3 TPA should at the end of the contract term, including any extensions, provide all TDC Plan records in a usable electronic format to the Agency for transition to a successor vendor.

- Acknowledge your Firm's understanding of the requirement.

Confirmed.

- Describe your Firm's transition process in the event of the Agency's decision to change TPA vendors as the end of the contract term, including any extensions exercised.

The following procedures outline the steps involved in a plan discontinuing services with Empower.

1. Empower receives notification from the plan sponsor.
  - Empower requests a minimum of 30 days' notice.
  - Notification must be in writing and provide the date of final valuation.
  - Empower compiles all required data.
2. Empower will review if there are any periodic payments for the plan and will pay in advance when needed.
3. The Empower deconversion team will prepare a timeline of events.
  - A timeline will be prepared once all information is provided.
  - Consideration for pre-payment of any periodic payments will be reflected on the timeline.
  - The standard will be that assets will be sold on the first day of a month, rather than the last day, due to month-end processing considerations. If necessary, assets can be sold on the last day of the month or any day of the month.

- The cash will not be wired until the funds are received. In most cases, this is the day following the sale of the assets.
  - Empower determines final dates for:
    - Submitting contributions
    - Processing distributions. For deconversions occurring on October 31 or later, the plan sponsor should submit any required minimum distributions to be paid for that year.
    - Processing fees
  - Empower will provide the plan sponsor with the deconversion timeline.
  - Once established, the final distribution date and the final contribution processing date cannot be changed.
4. Dividends processed after the initial wire has been sent will be sent in a subsequent wire. There generally will be one additional wire with all dividends, unless those dividends were processed over several days.
  5. Once the deconversion has been processed, a notification is sent to Empower and the new recordkeeper providing the total of the wire and the breakdown by fund.
  6. Follow-up questions from the new recordkeeper or trustee should be directed to Empower. If necessary, Empower will arrange for a conference call with the new recordkeeper.
  7. We will deduct the dollar amount of any outstanding fees/invoices from the top of the wire to the new carrier.

#### 4.2.1.5 Reporting and Compliance

- 4.2.1.5.1 Provide timely, easy to read, and helpful Participant statements for each calendar quarter through a mailed paper statement, unless the Participant elected to receive electronic statements only, no later than the 15th day of the month following quarter close.

As part of our Empower education experience, we send each employee a quarterly statement that summarizes in-quarter activity. Our statements are designed to be easy to read and understand. You can choose whether to include custom details—such as your logo or customized messaging.

Statements include beginning and ending balances, employee contributions, interest or change in value, graphical display of allocation of future contributions, transfer and surrenders for each of the funding options for the quarter, fees and charges (if applicable), withdrawals and graphical displays of account balance by investment. Statements are available in English and Spanish.

Confirmation statements are generated for employee transactions, and we provide a confirmation number at the time of the transaction to help ensure security and accuracy. Plan participants who execute a transaction via the website can print a confirmation statement. For transactions executed via the voice response system or a retirement representative, a confirmation number is received at the time of the transaction. A confirmation statement is available on the participant website within two business days after the transaction date.

Quarterly participant statements which are in 'good order' (i.e., complete and accurate) are available via the participant website by the 15th business day, following the calendar quarter end. Once accessed, participants will have the option to print their statement. Participants receive initial and annual notices regarding the online delivery.

Participants may request a mailed statement by contacting the participant services center or change their communication preference via the participant website.

- Please provide an example of your proposed participant statements

Please see the sample participant statement in the Exhibits section.

#### 4.2.1.5.2

- Discuss the consolidated quarterly reports you will provide to the Agency and their contents, such as Morningstar ratings and personal rate of return. Provide samples. Discuss the extent these proposed reports can be customized, if the Agency may receive the reports electronically, and if the reports will be distributed within fifteen (15) business days of the end of a calendar quarter.

We provide a number of reports to help you and other authorized staff get the most out of your plan.

#### Retirement Readiness and Plan Analytics Functionality

Unlike retirement plan measures that focus on baseline information (e.g., participant data and contributions), our plan sponsor reporting focuses on helping every employee pursue a better financial future. In addition to the standard reporting functions listed below, we provide access to a Retirement Readiness report. This calculation will present the Agency with detailed information specific to each employee's retirement savings progress.

You have access to three data visualizations designed to help improve the overall health of the plan. You can filter visualizations by demographic (such as location, division, job code, union or non-union or any other defined plan segments), as well as by age, salary, gender and tenure.

The data visualizations include:

- **Lifetime Income Score** – Measures each employee's retirement readiness, which provides you a snapshot of the overall health of the plan.
- **Investment strategy** – Illustrates participant balances grouped by their investment strategy (i.e., target date funds, risk based, asset allocation model, managed accounts and do-it-yourself)
- **Participant web statistics** – Provides a rolling 12-month look at web statistics (such as page visits made), separated by desktop, mobile and tablet access

The goal of the data visualizations is to give you the tools to identify employees who could be getting more out of the plan so you can direct communications to those segments.

The Empower Capabilities brochure included in the proposal exhibits illustrates some of the plan analytics functionality of our plan sponsor website.

#### Plan Review

The Plan Review is a customized annual progress report used strategically to help enhance participation, education, asset allocation and retiree outreach. The Plan Review may include the following:

- |                                                      |                                     |
|------------------------------------------------------|-------------------------------------|
| • Asset allocation                                   | • Plan assets                       |
| • Participant activity                               | • Plan utilization                  |
| • Distributions                                      | • Contributions                     |
| • Pre-tax contribution rates                         | • Single investment holdings by age |
| • Strategic Plan Summary (if applicable to the plan) |                                     |

A sample Plan Review is included in the Exhibits section.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board - CRRP 0203 CRRP00000001

### Strategic Partnership Plan

The Strategic Partnership Plan contains a comprehensive range of measurements for key services that enables the Agency and Empower to prioritize planning initiatives. This tailored reporting package may include the following:

- Goals and results
- Plan accomplishments
- Participant summary
- Current products and services
- Communication plan
- Plan events and industry updates
- Resources and messages to assist in financial decisions
- Investment review
- New product offerings

The Strategic Partnership Plan, combined with our Plan Review, provides the tools to strategically evaluate the plan's performance and capitalize on data trends.

A sample Strategic Partnership Plan is included in the Exhibits section.

### Quarterly Investment Review

The Quarterly Investment Review provides a variety of statistics used to monitor and evaluate the plan's investment lineup. This report includes a Capital Markets Review, as well as information on each fund's performance, expenses, asset allocation, and style consistency.

A sample Quarterly Investment Review is included in the Exhibits section.

### Employer Plan Summary Report

This end-period reconciliation summary outlines the following:

- |                                              |                                           |
|----------------------------------------------|-------------------------------------------|
| • Beginning balance                          | • Ending balance                          |
| • Net contributions                          | • Withdrawals                             |
| • Transfers into investments                 | • Transfers out of investments            |
| • Earnings                                   | • Interest (fixed return funds)           |
| • Expenses                                   | • Investment option summary               |
| • Summary of dollar activity                 | • Summary of unit/share activity          |
| • Breakdown of activity by money type        | • Contribution history detail             |
| • Each participant's account summary         | • Distributions detail                    |
| • Refund activity                            | • Annuities and periodic payments summary |
| • Breakdown of activity by contribution type |                                           |

A sample Employer Plan Summary Report is included in the Exhibits section.

### Online Reports and Information

Authorized Agency staff can access on-demand plan and participant reports anytime. This comprehensive library of ad hoc reports can be customized to highlight trends and is designed to provide the Agency with the analysis and perspective needed to help ensure the ongoing accuracy of plan administration.

## West Virginia Consolidated Public Retirement Board

1500 Kanawha Blvd. S., Ste. 1000, Charleston, WV 25304

- Provide your company's statement accuracy percentage; i.e., the percentage of statements that are not mailed on the normal mail date because of an unresolved discrepancy. Confirm that you will agree to incorporate a minimum error percentage in your contract with the Agency.

For the previous eight calendar quarters, the percentage of participant statements that have been mailed within 15 business days has been 99.89%.

As the incumbent provider, Empower confirms that we will continue to provide minimum error percentages in our contract.

- Discuss the statement of account review you will prepare for the Agency to facilitate its due diligence and provide a sample.

To help ensure the accuracy of participant statements, we conduct reviews of a sampling of interim statements to verify the following items:

- Account summary
- Outside assets
- Investment performance information
- Transaction detail, (if applicable)
- Projected monthly income in retirement
- Equivalent shares summary
- Vesting (if applicable)
- Contact information
- Beneficiary information (if applicable)
- Narrative, (if applicable)
- SDBA information
- Personal rate of return

Additionally, we include the following language on the participant statement:

This statement confirms transactions during the stated time period. You have an obligation to review all of the information carefully to confirm that we have acted on your instructions properly. You must notify Empower of any error within this statement as soon as possible. The actual benefits payable will be determined by the plan document that governs the operations of your plan. If you have any questions concerning your benefits, please contact Empower.

In addition, please see the Plan Review, Strategic Partnership Plan, and Employer Plan Summary in the Exhibits section.

- Discuss your ability to provide messages the Agency may request from time to time on participant statements.

Broadcast messages to all participants are displayed on the statement upon request. The plan sponsor must submit content one month prior to quarter end to allow time for compliance review and statement programming.

The limitations for the content are:

Box	Location	Limitations
A	Displays on the first page	Two lines of 90 characters are available to the plan sponsor.
B	Displays about three pages into the statement	One small paragraph, approximately five lines, is available to Empower; used as needed for urgent narratives.
C	Displays at the end of the statement before the performance returns	80 characters per line for a total of 20 lines.

## West Virginia Consolidated Public Retirement Board

Annual Report to the Public Retirement Board for 2014

- Discuss the availability of confirmations and reports online for participants and how participants may discontinue paper confirmations and statements.

Participant statements will be posted to the participant website shortly after the end of the quarter. Once accessed, participants will have the option to print their statement. Participants receive initial and annual notices regarding the online delivery.

Confirmation statements are generated for employee transactions, and we provide a confirmation number at the time of the transaction to help ensure security and accuracy. Plan participants who execute a transaction via the website can print a confirmation statement. For transactions executed via the voice response system or a retirement representative, a confirmation number is received at the time of the transaction. A confirmation statement is available on the participant website within two business days after the transaction date.

Participants may change their communication preference via the participant website or by contacting the participant services center.

- Describe the reports that the Agency will receive relating to call volumes, response time, abandoned calls, number of transactions, Internet usage, etc. Provide sample reports in the Miscellaneous Section.

This information is currently presented to the Agency on an annual basis and is incorporated into the Plan Review and the Strategic Partnership Plan.

### Plan Review

As discussed previously, the Plan Review is a customized annual progress report used strategically to help enhance participation, education, asset allocation and retiree outreach. The Plan Review may include the following:

- Asset allocation
- Participant activity
- Distributions
- Pre-tax contribution rates
- Strategic Plan Summary (if applicable to the plan)
- Plan assets
- Plan utilization
- Contributions
- Single investment holdings by age

A sample Plan Review is included in the Exhibits section.

### Strategic Partnership Plan

The Strategic Partnership Plan contains a comprehensive range of measurements for key services that enables the Agency and Empower to prioritize planning initiatives. This tailored reporting package may include the following:

- Goals and results
- Plan accomplishments
- Participant summary
- Current products and services
- Communication plan
- Plan events and industry updates
- Resources and messages to assist in financial decisions
- Investment review
- New product offerings



## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board

The Strategic Partnership Plan, combined with our Plan Review, provides the tools to strategically evaluate the plan's performance and capitalize on data trends.

A sample Strategic Partnership Plan is included in the Exhibits section.

- Provide samples of participant quarterly statements and discuss your ability to customize.

Please see sample statement in the Exhibits section.

You can customize the participant quarterly statement at no additional cost by activating or eliminating the features outlined below:

- Return address
- Fund display in fund order or asset class order
- Deferral amount indicators as well as limits, percentage and catch-up explanation
- Year-to-date rates of return and a historical graph of account balance
- Beneficiary information
- Performance returns
- Display of vesting information
- Plan name
- Financial advisor and phone number displayed on first page (if applicable)
- Summary transaction detail of all activity for the period
- Year-to-date and inception-to-date contribution figures
- Participant or employee ID
- Plan logo
- Investment benchmarks

### Statement Messages

Broadcast messages to all participants can be displayed on the statement upon request. The content must be submitted one month prior to quarter end to allow time for compliance review and statement programming.

Two narrative boxes on the statement may be used for plan sponsor messages; a third box is reserved for use by Empower. Current limitations are discussed previously in this section.

### 4.2.1.5.3

- It is preferred that the TPA provide an Annual Actuarial Data Report at the end of each TDC plan year and will include data from the full fiscal year. The report will be provided in text format (.txt) in order to allow for the utilization of the data by our actuaries. The report will use the following layout

Field Placed	Description		
001-009	Social Security Number	19	
010-032	Surname	A23	Left Adjusted
033-050	First Name	A18	Left Adjusted
051-058	Date of Birth	212,14	mmddyyyy
059-059	Sex	A1	M or F
060-067	Member start date with TPA	212,14	mmddyyyy
068-075	Last Contribution Deposit Date	212,14	mmddyyyy
076-076	EOY Status	A1	A-active/ T-term
077-084	Termination date (if term)	212,14	mmddyyyy
085-091	Vesting Service	F7.3	years.fraction

## West Virginia Consolidated Public Retirement Board

West Virginia Consolidated Public Retirement Board - Annual Report 2009-2010

Field Planes	Description		
092-098	Defined Benefit Service	F7.3	years fraction
099-108	BOY Member Account Balance	F10.2	
109-118	BOY Employer Account Balance	F10.2	
119-128	BOY Total Account Balance	F10.2	
129-138	Member Contribution for Year	F10.2	cash basis
139-148	Employer Contribution for Year	F10.2	cash basis
149-158	Rollovers Completed	F10.2	
159-168	Withdrawals Completed	F10.2	positive entry
169-178	EOY Member Account Balance	F10.2	
179-188	EOY Employer Account Balance	F10.2	
189-198	EOY Total Account Balance	F10.2	

Note that the file has headings.

BOY= Beginning of Plan Year

EOY=Ending of Plan Year

Investment earnings are not broken out but reflected in EOY balances.

Confirmed. We currently provide this information in the Annual Accounting Report that we run at the fiscal year end. This report can also be generated on an ad hoc basis.

**4.2.2. Mandatory Project Requirements -** The following mandatory requirements relate to the goals and objectives and must be met by the Vendor as a part of its submitted proposal. Vendor should describe how it will comply with the mandatory requirements and include any areas where its proposed solution exceeds the mandatory requirement. Failure to comply with mandatory requirements will lead to disqualification, but the approach/methodology that the vendor uses to comply, and areas where the mandatory requirements are exceeded, will be included in technical scores where appropriate. The mandatory project requirements are listed below.

**4.2.2.1 Administrative Services and Recordkeeping with appropriate staffing:**

**4.2.2.1.1** The Services under this contract must be performed only by Individuals within the United States of America.

Confirmed.

**4.2.2.1.2** TPA shall provide a single point of contact with seamless administration and accountability, who is able to attend Agency and Agency Committee meetings as requested and report on Plan operations, activities, investments, and market outlook.

Confirmed.

**4.2.2.1.3** TPA shall provide daily valuation of investments.

Confirmed.

## West Virginia Consolidated Public Retirement Board

Consolidated Public Retirement Board Agenda Item 2016-2017

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4.2.2.1.4 TPA shall credit contributions to Participant accounts and invest the funds on day of receipt.

Confirmed.

4.2.2.1.5 TPA shall have the ability to electronically transfer (ACH debit) contributions received by the Agency from a financial institution depository account.

Confirmed.

4.2.2.1.5 TPA shall provide review and processing of qualified domestic relations orders (QDROs) upon approval of the QDRO by the Agency's legal counsel.

Confirmed.

4.2.2.1.6 TPA shall provide distribution payment options authorized by the Agency and related counseling.

Confirmed.

4.2.2.1.7 TPA shall maintain three (3) administrative accounts and one (1) suspense account for the Plan that shall be invested by the Agency's Board:

a. The Revenue Sharing Account will be used for the deposit of all 12b-1, commissions and shareholder service fees paid to the TDC Plan by mutual funds. These funds will be used to pay the administrative expenses of the TDC Plan. Transfers from the Revenue Sharing Account will be made by ACH to the depository bank for the West Virginia Treasurer's Office. All administrative costs, including fees paid to the TPA, will be paid through the West Virginia Auditor's and Treasurer's Offices as required by state law.

Confirmed.

b. The Administrative Expense Account will be used for deposit of all administrative fees deducted from plan participant accounts. These funds will be used to pay the administrative expenses of the TDC Plan. Transfers from the Administrative Expense Account will be made by ACH to the depository bank for the West Virginia Treasurer's Office. All administrative costs, including fees paid to the TPA, will be paid through the West Virginia Auditor's and Treasurer's Offices as required by state law.

Confirmed.

c. The Error Correction account will be used to hold funds resulting from correction of error by employers and others. Funds from this account will be refunded or otherwise used as directed by the Agency. Transfers from the Error Correction Account will be made by ACH to the depository bank for the West Virginia Treasurer's Office. All administrative costs, including fees paid to the TPA, will be paid through the West Virginia Auditor's and Treasurer's Offices as required by state law.

Confirmed.

- d. The Suspense Account will be used to hold employer contributions by the individual participants who were not fully vested at the time of withdrawal. Suspense funds must be tracked by participant name and social security number in order to allow for the identification of funds to individual participants. The funds held in the individual participant's name and associated net investment earnings shall become forfeiture funds at the culmination of the five (5) year period and shall be reported on an annual forfeiture report as of July 1st of that year to the TDC Plan. Transfers from the Suspense Account will be by ACH to the depository bank for the West Virginia Treasurer's Office. All administrative costs, including fees paid to the TPA, will be paid through the West Virginia Auditor's and Treasurer's Offices as required by state law.

Confirmed.

- 4.2.2.1.8 TPA shall not offer and/or market any products to plan participants not expressly authorized in writing by the Agency and/or resulting contract issued under this procurement.

Confirmed.

- 4.2.2.1.9 TPA shall disclose fully all fees received from investment companies on investment options offered to TDC Plan participants quarterly to the Agency.

Confirmed.

- 4.2.2.1.10 TPA shall negotiate on behalf of the Agency for refunds and rebates from investments.

Confirmed.

- 4.2.2.1.11 TPA shall ensure that all retirement education counselors or advisors who directly interact with TDC Plan members regarding investment education and retirement counseling do not receive commissions, bonuses or other incentives that are dependent on TDC Plan members' investment elections. This requirement does not preclude commissions, bonuses and other incentives based on other performance metrics.

Confirmed.

- 4.2.2.1.12 TPA shall not require any termination, withdrawal or transfer charges or restriction (including market value adjustment) throughout the term of the contract and upon transfer to a successor vendor unless specified in writing, signed by both parties.

Confirmed.

- 4.2.2.1.13 TPA shall deduct quarterly fee specified by the Agency, per WV CSR 162-1-6-1, from participants' account, deposit in the TDC Plan administrative account, and remit to the Agency, upon written request.

Confirmed.

- 4.2.2.1.14 TPA shall have a System and Organization Control Type I examination (SOC I) performed by the primary vendor and any proposed sub-servicers utilized in providing the service being procured under this RFP. The (se) SOC I examination(s) must be performed in accordance with the Statements on Standard for Attestation Engagements (SSAE) No. 16 issued by the American Institute of Certified Public Accountants. These required SOC I reports should be provided annually to the Agency or its auditor, upon request.

Confirmed.

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Report of the West Virginia Consolidated Public Retirement Board

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### 4.2.2.2 Customer Service, Communication and Education:

4.2.2.2.1 TPA shall acknowledge your agreement that Participant data is confidential and the sole property of the Agency.

Confirmed.

4.2.2.2.2 TPA shall acknowledge your agreement that Participant data shall not be used in any way to market other products and may not be sold, licensed, transferred, made available or disclosed without the express prior written consent of the Agency.

Confirmed.

4.2.2.2.3 TPA shall provide all forms, materials and reports required and approved by the Agency as necessary or desirable for Plan operation in electronic and paper formats.

Confirmed.

4.2.2.2.4 TPA shall maintain separate accounts for pre-tax eligible rollovers.

Confirmed.

4.2.2.2.5 TPA shall identify and make notice to affected participants and/or beneficiaries of all required minimum distributions (RMDs) at age 70 ½ years and upon death; and process the disbursements of these RMDs upon Agency approval in accordance with IRC §401(a)(9).

Confirmed.

4.2.2.2.6 TPA shall allow the Agency, at its expense, to audit the TPA's performance, records, reports, invoices and other materials for periodic audit upon thirty (30) business days notice from commencement of the contract and for a period of five (5) years after contract termination.

Confirmed.

4.2.2.2.7 TPA shall maintain all TDC\_plan records either in paper or electronic format (including but not limited to: support for contributions, distributions, withdrawals, participant balances, beneficiary designations, confirmations to participants, investment elections/changes, images of cleared checks for all distributions for the benefit of TDC Plan participants, and all correspondences sent to TDC Plan participants) related to the plan. In the event of a change in the TPA service provider, the TPA shall ensure all TDC Plan records are transferred to the successor TPA vendor or to the Agency. The TPA will not destroy any such plan records, under its document retention policy, without the express written approval of the Agency.

Confirmed.

4.2.2.2.8 TPA shall ensure compliance with the West Virginia Uniform Unclaimed Property Act regarding all stale-dated checks and/or account balances that meet the specific abandonment period as defined in the West Virginia Uniform Unclaimed Property Act.

Confirmed.

## West Virginia Consolidated Public Retirement Board

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4.2.2.2.9 TPA shall accept full responsibility for processing errors it makes, and report to the Agency errors made by the TPA within three (3) business days of becoming aware of the error. In the event a participant incurs a loss or a lost opportunity due to an error by the vendor, the vendor shall make the participant whole, at no cost to the TDC Plan, by adjusting the participant's account to the same position or level as if the error had not occurred unless the adjustment would not be beneficial to the participant

Confirmed.

4.2.2.2.10 TPA shall provide a custom website for the TDC Plan, which will include educational tools and materials, account access, investment options and reports. The website address and all content shall be the property of the Agency.

Confirmed.

4.2.2.2.11 TPA shall provide a process for the purchase of service credits authorized by the Plan.

Confirmed.

4.2.2.2.12 TPA shall maintain separate accounting of reinstatements, service, and other contributions made with after tax dollars.

Confirmed.

4.2.2.2.13 TPA shall provide all original participant submitted forms and documents to the Agency (CPRB) for review and approval before being processed by the TPA. Upon the Agency's approval the documents will be presented to the TPA for appropriate processing.

Confirmed.

4.2.2.2.14 TPA shall direct the Agency personnel the ability to edit the following non-financial data regarding the participant at a minimum, but not limited to:

- Date of Hire,
- Date of participation,
- Date of termination,
- Service, Number of paid days per fiscal year,
- Gross compensation per fiscal
- Total TRS transferred service
- All Participant contact information, including Name, Address, Phone Numbers, and Email Addresses,
- Apply a "flag" to a participant account for distributions restrictions or other issue

Confirmed.

### 4.2.2.3 Investments:

4.2.2.3.1 TPA shall provide investment advisory services only at the participants' elections.

Confirmed.

4.2.2.3.2 TPA shall make available the prospectuses and performance information, for each investment option offered by the TDC Plan on the TDC Plan's website provided by the TPA.

Confirmed.



## West Virginia Consolidated Public Retirement Board

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4.2.2.3.3 TPA shall make investment election changes and investment transfers daily via customer call center and dedicated plan website.

Confirmed.

4.2.2.3.4 TPA shall comply with the requirements of the current VALIC contract (comprised of 3 separate documents) which is contained in the Appendix III.

Confirmed.

### 4.2.2.3 Reporting and Compliance:

4.2.2.3.1 TPA shall provide quarterly reviews of each investment option, including performance and other information which may affect the investment, compliance with the TDC Plan Investment Policy in effect and any recommendations as to placing the investment on "watch" or to replacing the investment.

Confirmed.

4.2.2.3.2 TPA shall provide annual plan reviews, including demographic and other relevant statistics and information to the Agency.

Confirmed.

4.2.2.3.3 TPA shall provide confirmations of any financial transaction involving TDC Plan accounts with two (2) business days to the Plan participant.

Confirmed.

4.2.2.3.4 TPA shall provide quarterly financial reports and an annual report as of June 30 of each year to the Agency summarizing Plan assets and Participant contributions, investment returns and ratings, receipts, disbursements, and suspense account activity and balances.

Confirmed.

4.2.2.3.5 TPA shall enable the Agency and participants to obtain reports and confirmations electronically from the TDC Plan's website provided by the TPA and/or the TPA's plan sponsor portal/website.

Confirmed.

4.2.2.3.6 TPA shall provide the ability for the Agency to access and, for non-financial data, to directly edit (detailed in 4.2.2.2.14) within the proposed operating system all participant data (this access should include participant data after a full distribution from the TDC Plan), including but not limited to the following. This information should be able to be easily printed by Agency personnel that lists the participants name and at least the last 4 digits of their social security number:

- Participant general information this (information should be editable by Agency personnel).
  - Detail of historical data and any edits made

Confirmed.

- Transaction history detail from the inception of the contract or vendor relationship resulting from this procurement.

Confirmed.

[illegible]

- Confirmed.**

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Statement for the Year Ended 12/31/2023

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4.2.2.3.8 Provide an exact image/copy of the quarterly participant statements issued in an electronic format that is approved by the Agency. This information must be provided to the Agency using a secure transmission method provided to the Agency within ten (10) business days of distribution to the plan participants. This information should also include an electronic copy of all other documents that were included in the mailing with the quarterly Participant statements

Confirmed.

### 4.3. Qualifications and Experience:

TPA should provide information and documentation regarding its qualifications and experience in providing services or solving problems similar to those requested in this RFP. Information and documentation should include, but is not limited to, copies of any staff certifications or degrees applicable to this project, proposed staffing plans, descriptions of past projects completed (descriptions should include the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.), references for prior projects, and any other information that TPA deems relevant to the items identified as desirable or mandatory below.

**4.3.1. Qualification and Experience Information:** The TPA should describe in its proposal how it meets the desirable qualification and experience requirements listed below.

**4.3.1.1** TPA shall be authorized to do business in and with the State of West Virginia,

Confirmed. As the incumbent provider, as well as the provider for the Agency, we are authorized to do business in and with the state of West Virginia.

- The Agency desires a TPA with necessary knowledge, skill and experience to provide exceptional services to the TDC Plan members and the Agency.

As a leading provider of government retirement plans, we have the strength, experience and stability the Agency needs to help its employees pursue their financial goals while streamlining the administration of your plan. We believe our innovative plan sponsor and participant experiences — coupled with a cutting-edge recordkeeping system that can help create efficiencies and potentially reduce costs — set Empower apart from our competitors.

**1. An innovative plan sponsor experience that helps ease administration and drive engagement**

Our modern plan sponsor experience provides advanced tools to help improve plan results and simplify day-to-day administration — including enriched, practical analytics that allow you to monitor the real-time health of your plan and turn data trends into actionable insights.

- *The Empower Lifetime Income Score* is a powerful measure of your participants' retirement readiness. It allows you to segment audiences by age, tenure and geographic location to determine who may have the greatest need for increased education. This information is used to create targeted messaging to drive increased engagement among participant segments.
- *Plan Analytics* provides detailed participation rates, deferral rates, and average account balances so you can assess the health of your plan and work with Empower on plan design enhancements.
- *On-demand reporting* allows you to measure success and identify areas of focus.
- *To-do list* provides paperless approval and management of critical deadlines and important participant items within the plan.
- *Notifications* alerts plan sponsors to new items or requests that have been sent to participants but may not require plan sponsor involvement, to keep you aware of participant activities.
- *File sharing* provides plan sponsors with a secure site to share reports with colleagues, Empower or an approved third party such as a plan auditor; files are saved for up to three years.
- *Fiduciary Records* maintains complete records of all plan-related developments, helping to provide protection to plan fiduciaries.

- *Investment performance and information* provides details on each fund held in the plan, including performance data, participant assets, and other details.
- *Participant account emulator* gives the Agency a mirrored view of what a participant sees through the participant website.

While our innovative technology may provide enormous value to your plan administration, we know that technology is no substitute for relationships. We invest in people, and we equip them with state-of-the-art tools that allow them to provide exceptional service and support. The Agency will have access to Don, your designated relationship manager, and a carefully selected service team that specializes in government plan support.

## 2. An engaging, goal-driven participant experience that helps drive higher savings

Empower offers a unique experience that drives engagement by showing participants the important connections and long-term forecasting that will affect their income in retirement. The experience delivers these insights in a way that reveals how short-term, achievable actions keep the ultimate goals on track.

- *The Empower Participant Experience* translates savings into estimated monthly income in retirement. Please refer to *Experience Matters*, included as an exhibit, for a more in depth look about the impact of the Empower participant experience.
- *Chris* is available to meet with any employee or retiree to provide any guidance the participant is looking for, from answering basic questions about retirement planning and the Agency's plan itself, to helping create a personalized financial plan. Chris does this all while acting in a fiduciary capacity for advice they provide.
- *Outside assets* can be inputted into the participant website and factored into the retirement readiness calculations, allowing your participants to have a more holistic view of their retirement income projects.
- *Peer comparison* shows participants how they compare with top savers within their demographic profile, and offers a one-click option to help them keep pace with top savers.
- *Financial Wellness* checkup provides a convenient resource of educational tools in four key areas: spending, saving, investing and protecting.
- *Targeted communications* are personalized for individual participants, delivered through multiple channels and use analytics to focus messaging on areas most relevant to the individual and their needs.

Our participant experience is built to engage — and the specific insights it provides are proven to boost savings outcomes. It's not about bells and whistles; it's about providing the clarity to identify essential goals and the tools to pursue them confidently.

## 3. Our modern, server-based recordkeeping platform is efficient and flexible

With approximately 9.1 million retirement plan participants<sup>7</sup>, our fully integrated, server-based system not only helps ensure transactional integrity, its built-in efficiencies help reduce the amount of time your service team dedicates to manual processes — and helps increase the time they can dedicate to plan enhancing initiatives.

<sup>7</sup> as of March 31, 2019

We believe our recordkeeping system provides a wealth of benefits to plan sponsors:

- A server-based engine offers distinct advantages over legacy, mainframe-based systems. Namely, it provides flexibility with scalability. It assures plan provisions and participant actions are always in sync. And it provides full integration of recordkeeping and trust records.
- We own the system, so we don't have to engage a third-party vendor to make changes or modifications. Some vendors lease a system from a software company — this places an intermediary between the vendor and the plan sponsor, potentially creating additional costs.
- We set the priorities for upgrades and development based on your needs and the needs of your participants.
- We have the resources, as one of the nation's largest recordkeepers, to invest heavily in technology, constantly innovating and upgrading the system to meet your needs, to create efficiencies, and to potentially reduce costs.
- The Empower Retirement Security Guarantee affirms our promise to restore account losses caused by unauthorized transactions that occur through no fault of a participant or plan sponsor. In other words, we not only stand behind the security of your accounts — we guarantee it.

With our full array of benefits, our approach to communication and service, and our commitment to staying on the cutting edge of technology, we are well equipped to exceed the retirement needs of the Agency and its employees — now and in the future.

#### 4.3.1.2

- Briefly discuss your organization, including, without limitation, its structure, ownership (direct and indirect), control, history, line of business, staffing numbers, pending contract(s) to merge or sell any portion of your company, any changes in senior management in the last three years, and other information that will assist in evaluating your firm.

##### **Structure/Ownership/Control**

Empower, the retirement services business of Great-West, provides retirement savings products and services for public, corporate and non-profit employers. Great-West refers to products and services provided by GWL&A. GWL&A is an indirect, wholly owned subsidiary of Great-West Lifeco, Inc., a holding company that is owned by the Power Corporation of Canada. GWL&A has provided financial services and retirement solutions since 1940.

Headquartered in Greenwood Village, Colorado — with offices around the country — Empower offers solutions in plan design, recordkeeping, communication materials, and investment options to help plan sponsors meet the goals they have set for their retirement plans. As importantly, we provide the tools and information needed by participants, to help them reach their retirement income goals.



## West Virginia Consolidated Public Retirement Board

Consolidated Financial Statement for the Year Ended December 31, 2019

The following displays the ownership structure<sup>a</sup>:



Power Financial Corporation

Great-West LifeCo

Great-West LifeCo U.S.



Great-West  
Investments



Empower  
Retirement



Putnam  
Investments

### History/Line of Business

Our company has been in business in the U.S. since 1907. Our former parent company was founded in Canada and incorporated in 1891.

We have a long history in the defined contribution/deferred compensation marketplace, serving the 401(a) market since the 1940s, the 403(b) market since 1962, the 401(k) market since 1985, and nonqualified deferred compensation market since 1991. Our history in the public deferred compensation business actually predates the creation of IRC Section 457 in 1978, since we had administered some government plans with Private Letter Rulings prior to that date.

In 1979, our company began the formal process of splitting U.S. and Canadian operations. In 1983, we established our U.S. headquarters in Greenwood Village, Colorado. By 1992, all U.S. operations were transferred to the U.S. entity.

In 2014, Great-West Financial<sup>®</sup> combined the retirement business of Great-West Financial with the retirement business of Putnam Investments, and acquired a large-market recordkeeping business shortly thereafter. The integrated retirement business is named Empower Retirement.

In January 2019, GWL&A reached an agreement to sell, via reinsurance, substantially all of its individual life insurance and annuity business to Protective Life Insurance Company. This transaction allows the company to focus on the retirement and asset management markets in the U.S. Subject to regulatory and customary closing conditions, the transaction closed on June 1, 2019.

<sup>a</sup> FOR ILLUSTRATIVE PURPOSES ONLY. Great-West Financial<sup>®</sup>, Great-West Investments and Empower Retirement are brand names of Great-West Life & Annuity Insurance Company (GWL&A), Greenwood Village, CO./Great-West Life & Annuity Insurance Company of New York, NY, NY; and their subsidiaries and affiliates. GWL&A is an indirect, wholly owned subsidiary of Great-West LifeCo, Inc. ("LifeCo"). Power Financial Corporation holds a controlling interest in LifeCo. LifeCo and Power Financial do not guarantee products or services of GWL&A or its subsidiaries. Putnam is the mark of Putnam Investments, LLC, an affiliate of GWL&A.

## West Virginia Consolidated Public Retirement Board

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### Staffing Numbers

The following table details the number of employees who work on defined contribution (DC) retirement plans as of March 31, 2019, in the defined areas.

Services	Number of Employees
Sales/Wholesaling	328
Relationship Management	275
Marketing/Communications	195
Participant Education Counselors/Advisors	246
Recordkeeping and Administration Services	1,891
Compliance Services	149
Legal	87
Conversion/Implementation Services	386
Participant Services Center	735
Retirement Solutions Group	123
Systems and Technology	685
Product	35
Total	5,135

### Pending Contract(s) to Merge or Sell

There are no pending agreements to sell our company.

### Changes in Senior Management in the Last Three Years

Information regarding recent senior management changes (senior vice president and higher) as they apply to Empower is provided below.

#### 2019

- Richard H. Linton, Jr., Empower's, executive vice president for operations, was appointed to the new role of executive vice president for group distribution and operations, reporting to Ed Murphy, effective February 11.
- Edmond (Ed) F. Murphy III, president of Empower was appointed president of and chief executive officer of GWL&A, the U.S. subsidiary of Lifeco and the parent of Empower, effective February 7, 2019. In his expanded role, he will lead Empower and GWI. Ed reports to Lifeco president and CEO Paul Mahon.
- Robert L. Reynolds was appointed chair of Lifeco U.S., effective February 7, 2019. He will remain in his role as president and chief executive officer of Lifeco's U.S. asset management business, Putnam Investments.

#### 2018

We did not experience any changes in senior management in 2018.

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Report for the Year Ended December 31, 2017

### 2017

- Joe Smolen was appointed senior vice president of core markets July 2017 following Bill Harmon's resignation in June 2017.
- Dan Morrison was appointed senior vice president of government markets January 2017.
- Discuss any alliance arrangements you have with any investment or money management firms and a brief description of the terms of the arrangement.

As a complement to the services Empower provides, clients contract separately with Morningstar Investment Management to provide Integrated 3(21) services. MIM is responsible for monitoring the plan's investments, and serves as a fiduciary in this respect under the Employee Retirement Income Security Act of 1974 (ERISA).

- Discuss any investigation, charge, litigation, arbitration or settlement in the last two (2) years involving your firm and any proposed sub-servicers and/or sub-contractors providing any of the TPA Services contemplated by this RFP.

In the ordinary course of business, GWL&A is periodically named as a defendant in various types of litigation. None of the litigation against GWL&A is expected to have a material adverse effect on the financial condition of the company or our ability to provide the services requested in this RFP.

- List your current ratings by nationally recognized rating agencies. Discuss whether there have been any rating downgrades in the last five (5) years

We are rated by a number of nationally recognized rating agencies. The ratings represent the opinion of the rating agencies regarding the financial strength of the company and its ability to meet ongoing obligations to policyholders. Our current ratings are:

Great-West Life & Annuity Insurance Company	
A.M. Best Company, Inc.	A+ (Superior; highest of 10 categories) for financial strength
Fitch Ratings	AA (Very Strong; second highest of nine categories) for financial strength
Moody's Investors Service	Aa3 (Excellent; second highest of nine categories) for financial strength
Standard & Poor's Rating Service	AA (Very Strong; second highest of nine categories) for financial strength

These ratings are current and subject to change. They do not pertain to the investment performance of the underlying funds.

GWL&A has consistently received high marks from industry sources for financial strength. We continue to maintain ratings that are among the highest of our life insurance company peer group. There have not been any changes to our ratings in the last five years.

## West Virginia Consolidated Public Retirement Board

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4.3.1.3 Discuss three (3) of your current engagements comparable to a potential engagement with the Agency or that demonstrate the ability of your firm to provide TPA Services for the Agency. Each entity listed will be contacted as references. Include the following information:

- a) Entity name,
- b) Address,
- c) Contact person,
- d) Telephone number,
- e) Email address,
- f) Length of relationship and if it is current,
- g) Services provided (as required in this RFP),
- h) Number of Participants,
- i) Annual Deferral Amounts,
- j) Total Plan Assets as of December 31, 2017, and
- k) Any other information you believe the Agency would find useful.

	Reference #1	Reference #2	Reference #3
Entity name	State of West Virginia	City of Tallahassee	Colorado County Officials & Employees Retirement Association
Address	State Capitol, Room E-145 1900 Kanawha Boulevard, East Charleston, WV 25305	300 S. Adams Street Box A-30 Tallahassee, Florida 32301	751 South Park Drive, Littleton, CO 80120
Contact person	Jack Berry	Angel L. Charlton	Tim Mullen
Telephone number	304-340-5022	850-891-8278	720-563-6507
Email address	Jack.Berry@wvsto.com	angel.charlton@talgov.com	tmullen@ccoera.org
Length of relationship and if it is current	1/1/2016 - Present	7/15/2015 - Present	5/01/2005 - Present
Services provided (as required in this RFP)	Full Service	Full Service	Full Service
Number of Participants	17,767	9,882	23,000
Annual Deferral Amounts	\$12,815,827	\$41,734,945	\$108,965,426

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Statement for the Year Ended December 31, 2017

	Reference #1	Reference #2	Reference #3
Total Plan Assets as of December 31, 2017	\$222,490,559	\$685,000,000	\$1,620,784,524
Any other information you believe the Agency would find useful	Not applicable.	Not applicable.	Not applicable.

**4.3.2 Mandatory Qualification/Experience Requirements** - The following mandatory qualification/experience requirements must be met by the TPA as a part of its submitted proposal. TPA should describe how it meets the mandatory requirements and include any areas where it exceeds the mandatory requirements. Failure to comply with mandatory requirements will lead to disqualification, but areas where the mandatory requirements are exceeded will be included in technical scores where appropriate. The mandatory qualifications/experience requirements are listed below.

**4.3.2.1** TPA shall be authorized to do business in and with the State of West Virginia,

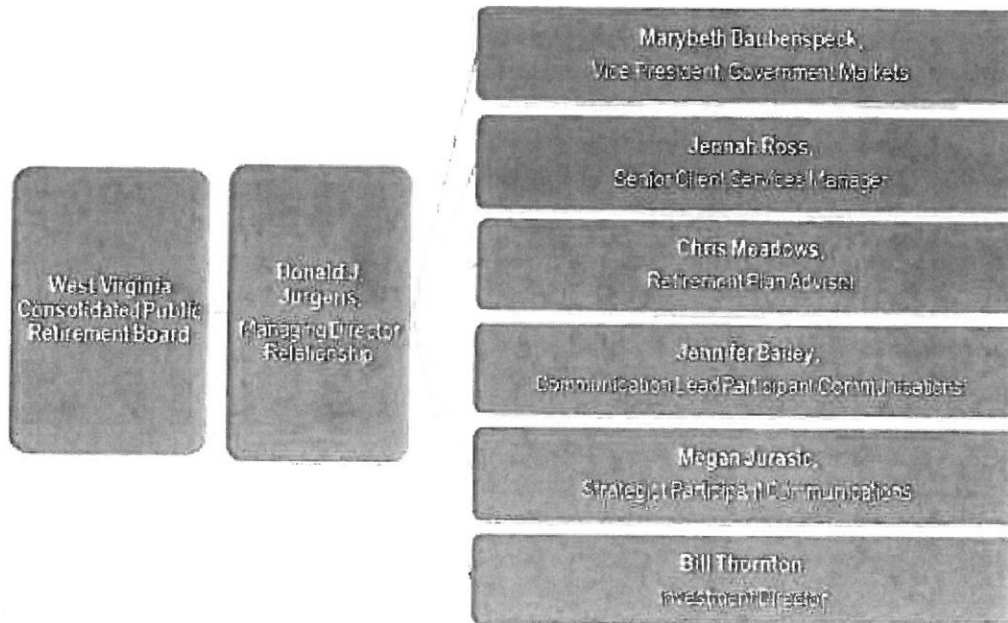
Confirmed.

- Provide the following information for your Firm and any proposed sub-servicers and/or sub-contractors:
  - Name,  
Great-West Life & Annuity Insurance Company
  - Mailing address,  
8515 East Orchard Road  
Greenwood Village, Colorado 80111-5002
  - Corporate address,  
8515 East Orchard Road  
Greenwood Village, Colorado 80111-5002
  - Telephone number, and  
303-737-3000 or 800- 537-2033
  - Primary Contact, including telephone number, fax number, and email address.  
Primary Contact: Don J. Jurgens  
Telephone Number: 770-547-3419  
Fax Number: 303-737-3110  
E-mail Address: don.jurgens@empower-retirement.com

## West Virginia Consolidated Public Retirement Board

Consolidated Financial Report for the Fiscal Year Ending December 31, 2019

- Provide an organization chart for your firm (particularly noting the areas that will be working on the TDC Plan).



- Disclose any information about your firm and any proposed sub-servicers and/or sub-contractors, its employees or its agents which could be considered a material conflict of interest, or potential material conflict of interest with the Agency or the state of West Virginia.

To our knowledge, none of our relationships with other organizations could cause our firm to come under additional scrutiny, and we do not anticipate any potential conflicts of interest.

- Disclose any information about your firm and any proposed sub-servicers and/or sub-contractors, its employees or its agents which could be considered a material conflict of interest, or potential material conflict of interest with the Agency or the State of West Virginia.

Employees and officers who believe they may have a conflict of interest, become aware of the potential for a conflict of interest involving them or others, or are uncertain whether the potential for a conflict of interest exists, must immediately notify the chief compliance officer. To our knowledge, we do not anticipate any potential conflicts of interest.

- Disclose any bankruptcy or insolvency proceedings or any assignment for the benefit of creditors by your firm and any proposed sub-servicers and/or sub-contractors.

We have not been petitioned into bankruptcy or insolvency.

- State the name of the entities which have rated your firm and the current rating from each entity.

We are rated by a number of nationally recognized rating agencies. The ratings represent the opinion of the rating agencies regarding the financial strength of the company and its ability to meet ongoing obligations to policyholders.



## West Virginia Consolidated Public Retirement Board

Consolidated Financial Report for the Year Ended 0203

Our current ratings are:

	Great-West Life & Annuity Insurance Company
A.M. Best Company, Inc.	A+ (Superior; highest of 10 categories) for financial strength
Fitch Ratings	AA (Very Strong; second highest of nine categories) for financial strength
Moody's Investors Service	Aa3 (Excellent; second highest of nine categories) for financial strength
Standard & Poor's Rating Service	AA (Very Strong; second highest of nine categories) for financial strength

These ratings are current and subject to change. They do not pertain to the investment performance of the underlying funds.

- 4.3.2.2 TPA shall be licensed, capable and authorized to provide TPA Services to governmental entities in West Virginia,

Confirmed.

- 4.3.2.3 TPA shall have at least five (5) years' experience in providing TPA Services for governmental defined contribution plans,

Confirmed.

- Briefly describe the scope and length of your experience with public sector retirement plans.

As of March 31, 2019, Empower administered 1,224 plans in the governmental market, totaling more than \$131 billion in assets and representing approximately 2.6 million participants. Additionally, we serve 22 state plans and a majority of those plans allow the local cities, counties, and other governmental agencies to participate in the state plan. When we include all political subdivisions of states we serve, our estimated total number of governmental employers served exceeds 9,200.

- Provide a list of any contracts terminated by a client for cause within the last five years, including the circumstances, and the name and telephone number of a contact person for that client.

We have not lost any clients for cause.

- List any contracts not renewed by a client within the last five years, including the circumstances and the name and telephone number of a contact person for that client.

In the last five years, we did not lose any government clients due to service issues. The majority of the clients who do not renew with Empower are lost due to the competitive bidding process. Due to the extensive list of clients gained and lost in the past five years, we have not provided a list with their contact information. However, we have provided a few with similar scope and services to the Agency's.

**Nashville Electric Services, Tennessee**

Name: Jeff Eck

Telephone Number: 615-747-3664

**Kern County, California**

Name: Rocio Mosqueda

Telephone Number: 661-868-3447

County of San Luis Obispo, California

Name: Andrea Paley

Telephone Number: 805-781-5465

- As the Agency reserves the right to authorize or prohibit subcontracting or any joint venture, indicate whether the Services will be subcontracted to another company; fully describe these Services and the background and qualifications of the company that will provide the Services; and disclose and explain any affiliation with you.

All recordkeeping, administration, participant services center, voice response, and web services are handled in-house through our proprietary recordkeeping system. We provide full-service defined contribution recordkeeping, compliance, and communication services for a complete spectrum of daily valued defined contribution plans and deferred compensation plans, including 401(k), money purchase/profit sharing, NQDC, 403(b), 408, 457(b) and 457(f).

The following affiliate is used to complement Empower's services in supporting the Agency:

**Advised Assets Group, LLC:** A subsidiary of GWL&A, enters into a separate agreement with the Agency to provide investment advisory resources and services, including managed accounts, to plan participants as a registered investment adviser.

4.3.2.4 TPA must administer or have under management at least \$10 billion in assets.

Confirmed. As of March 31, 2019, we administered 38,996 defined contribution plans with approximately \$596 billion in assets under administration on our recordkeeping system.

#### 4.4. Oral Presentations (Agency Option)

The Agency has the option of requiring oral presentations of all Vendors participating in the RFP process. If this option is exercised, it would be listed in the Schedule of Events (Section 1.3) of this RFP. During oral presentations, Vendors may not alter or add to their submitted proposal, but only clarify information. A description of the materials and information to be presented is provided below:

Materials and Information Requested at Oral Presentation:

4.4.1. In person presentation outlining proposal

4.4.2. Question and answer period

## Disclosures

FOR PLAN SPONSOR OR FINANCIAL PROFESSIONAL USE ONLY.

Carefully consider the investment option's objectives, risks, fees and expenses. Contact us for a prospectus, summary prospectus or disclosure document containing this information. Read them carefully before investing.

Securities offered by GWFS Equities, Inc., Member FINRA/SIPC, marketed under the Empower brand. GWFS is affiliated with Great-West Funds, Inc.; Great-West Trust Company, LLC; and registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC, marketed under the Great-West Investments™ brand. This material has been prepared for informational and educational purposes only and is not intended to provide investment, legal or tax advice.

As of March 31, 2019, information refers to the business of Great-West Life & Annuity Insurance Company and its subsidiaries, including Great-West Life & Annuity Insurance Company of New York. GWL&A's consolidated total assets under administration (AUA) were \$638B. AUA is a non-GAAP measure and does not reflect the financial stability or strength of a company. GWL&A's statutory assets total \$57.1B and liabilities total \$55.7B. GWL&A of NY statutory assets total \$2.2B and liabilities total 2.1B.

Empower Retirement family of companies refers to products and services offered through Great-West Life & Annuity Insurance Company; Great-West Life & Annuity Insurance Company of New York, located in New York, NY; EMJAY Corporation; Great-West Trust Company, LLC; Great-West Funds, Inc. and certain affiliates and subsidiary companies.

IMPORTANT: The projections, or other information generated on the website by the investment analysis tool regarding the likelihood of various investment outcomes, are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. The results may vary with each use and over time. Healthcare costs and projections, if applicable, are provided by HealthView Services. HealthView Services is not affiliated with GWFS Equities, Inc. Empower Retirement does not provide healthcare advice. A top peer is defined as an individual who is at the 90th percentile of the selected age band, salary range and gender.

IMPORTANT: The projections or other information generated by PlanVisualizer™ are hypothetical in nature and are not guarantees of future results. The results may vary with each use and over time. The results are not a guarantee of actual outcomes and will change as your inputs change. The trademarks, logos, service marks and design elements used are owned by GWL&A or used with permission.

Empower Retirement is not acting as an investment advisor for the plan. The information, analyses and fund alternatives described in this material are intended to provide assistance to the plan sponsor or other fiduciary responsible for plan investments and should not be relied upon as the sole basis for any investment decision. GWFS Equities, Inc. and its affiliates may receive compensation with respect to proprietary investments and may receive compensation with respect to other plan investments. Other share classes may be available for the investment products described, and the plan sponsor is welcome to request more information on the options available.

Dollar-cost averaging, rebalancing and diversification do not ensure a profit and does not protect against loss in declining markets.

*You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

Investing involves risk. You should consider your individual investment objectives and consult the prospectus before investing.

There is no additional tax-deferral benefit derived from placing funds from an IRA or other tax-qualified funds into an annuity. Investors should consider all features and benefits beyond tax deferral when considering rolling over funds to an annuity, including the possible loss of vested benefits and potential surrender charges as well as any new surrender period, fees and charges that may be imposed by the existing provider.

Core investment options are offered through mutual funds; separately managed accounts; collective trust funds; a group fixed only and/or a fixed and variable deferred annuity issued by GWL&A or, in New York, by GWL&A of NY.

Putnam is affiliated with GWL&A and GWL&A of NY and their subsidiaries and affiliates.

The principal underwriter of Great-West Funds, Inc. is its affiliate, GWFS Equities, Inc., Member FINRA/SIPC. Great-West Capital Management, LLC is the investment adviser.

Empower Retirement anticipates receiving the outlined administrative credit related to the alternative investment lineup for the plan. Changes to this alternative investment lineup may alter the anticipated administrative credit. Actual administrative credit will be disclosed during final contract negotiations if you select Empower Retirement as your plan's service provider.

Past performance is not a guarantee or prediction of future results.

SecureFoundation® II is a guaranteed income benefit offered through a variable annuity issued by Great-West Life & Annuity Insurance Company, or in New York, by Great-West Life & Annuity Insurance Company of New York and is a promise to provide a payment of guaranteed income subject to the terms and conditions of the annuity and the claims-paying ability of GWL&A or GWL&A of NY, as applicable. GWL&A is not licensed to conduct insurance business in New York. Contract form numbers SFII 15 R (06-16) and SFII 15 U (06-16) and state variations are issued by GWL&A. In New York, NYSFII 15 R (06-16) and NYSFII 15 U (06-16) are issued by GWL&A of NY. May not be available in all states. Certain restrictions may apply. Great-West SecureFoundation® II is only available through the purchase of a Great-West SecureFoundation covered fund. Please check with your advisor or Empower Retirement representative for more information.

Variable annuities are long-term investments and may not be suitable for all investors. Any withdrawals of earnings prior to age 59½ may be subject to income tax and a 10% penalty. An investment in variable annuity is subject to fluctuating values of the underlying investment options,

## West Virginia Consolidated Public Retirement Board

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including the possible loss of principal. Each of the Great-West SecureFoundation Funds has its own objectives, risks and expenses. 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. For more information, see the prospectus

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

Empower Retirement Advisory Services refers to the advisory services offered by Advised Assets Group, LLC, such as My Total Retirement™ and Online Advice. AAG uses Morningstar Investment Management LLC to provide subadvisory services. AAG and Morningstar Investment Management are unaffiliated registered investment advisors. Morningstar Investment Management is a subsidiary of Morningstar, Inc. AAG is a subsidiary of Great-West Life & Annuity Insurance Company. Morningstar® is a registered trademark of Morningstar, Inc. ©2019 Morningstar, Inc. Future results are not guaranteed by AAG, Morningstar Investment Management, or any other party.

Great-West Life & Annuity Insurance Company receives payments from some investment fund families through the Empowering Fund Partnership Program ("EFPP"). Under the EFPP, fund families receive several services based on the EFPP tier in which they participate. These services are provided directly to fund families and include: (i) consideration for inclusion in Empower products developed for some segments of the retirement and IRA market, (ii) inclusion on the Empower Select investment platform, which is available in the small plan recordkeeping market, (iii) a waiver of the connectivity fee described below, (iv) enhanced marketing opportunities, (v) additional reporting capabilities, (vi) collaboration in thought leadership opportunities, (vii) access to meetings with Empower leadership, Empower staff, and the third party advisory and brokerage firms through whom Empower distributes its services, and (viii) access to conferences put on by Empower and Great-West Financial. The 2019 fees for EFPP participation are \$1,000,000 for tier 1, \$500,000 for tier 2, and \$250,000 for tier 3. These fees do not vary based on an Empower client's use of the funds offered by the fund family.

For additional information about funds that participate in the fund partner program, please visit <https://docs.empower-retirement.com/advisor/Fund-Partner-Program.pdf>.

Great-West Life & Annuity Insurance Company also receives payments from fund families through a connectivity program (the Connectivity Program™). The Connectivity Program charges fund families for the cost of administering funds on Empower investment platforms, and for building and maintaining data connections between Empower and the fund family. In 2019, the Connectivity Program charges \$1,000 per investment fund used on recordkeeping and IRA investment platforms. Beginning in 2019, if a retirement plan is receiving recordkeeping services through Empower's small plan recordkeeping segment, and the plan adds a fund from a fund family that does not participate in the Connectivity Program or the EFPP, then Empower will assess a supplemental, separate investment access fee of .03% to participants in the plan. Depending on the level of investment in the non-participating fund family, the investment access fee charge may be more or less than the fees received under the Connectivity Program from the fund family.

For additional information about funds that participate in the fund partner program, please visit <https://docs.empower-retirement.com/advisor/Fund-Partner-Program.pdf>.

Fund share classes available through Empower Select™ do not pay revenue sharing from the fund, such as 12b-1 payments.

Deloitte & Touche is not affiliated with GWFS Equities, Inc. or its parent company, Great-West Life & Annuity Insurance Company.

Verizon is not affiliated with GWFS Equities, Inc. or its parent company, Great-West Life & Annuity Insurance Company.

Although data is gathered from reliable sources, the completeness or accuracy of the data shown cannot be guaranteed.

The charts, graphs and screen prints in this presentation are for ILLUSTRATIVE PURPOSES ONLY.

Not all features are currently available. Some features are under consideration and/or in development. Presented for discussion purposes only; non-binding and subject to change without notice.

All noted awards, ranking and accolades are attributed to products and services now provided by Empower Retirement.

There can be no assurance that the professionals currently employed by Empower Retirement will continue to be employed by Empower Retirement or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

The above information has been delivered in response to your request. The information is shown for illustrative purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. We believe the information provided here is reliable but should not be assumed to be accurate or complete.

The proposed services and fees included in this proposal are based on the information currently provided to Empower Retirement and are subject to final negotiation by the parties involved. Services are performed by Empower Retirement pursuant to the enclosed Administrative Services Agreement with appropriate schedules to be added based on services selected.

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RO842698-0519

Unless otherwise noted: Not a Deposit | Not FDIC Insured | Not Bank Guaranteed | Funds May Lose Value | Not Insured by Any Federal Government Agency

## Exhibits

### Section 1: Investment Information, Signatures and Legal Exceptions

- A. Appendix III – Investment Options Proposed
- B. Request Cover Document
- C. Designated Contact and Certification
- D. Section 6 Evaluation and Award
- E. Legal Exceptions
- F. Addendum cover sheets and Acknowledgement
  - 1. Request Cover Addendum 1
  - 2. Request Cover Addendum 2
  - 3. Request Cover Addendum 3
  - 4. Addendum Acknowledgements (Addendums 1, 2 and 3)

### Section 2: Requested Exhibits

- A. Service Team Biographies
- B. Sample Forms
  - Sample In-Service Withdrawal Form
  - Sample Personal Information Change Form
  - Sample Beneficiary Form
  - Sample ACH Form
- C. Sample Communication and Education Material
  - Advisory Services Guide
  - Plan Highlights
  - Pocket Folder
  - Meet Your Representative Postcard
  - Participant Statement
  - Quarterly Newsletters
- D. Your Life. Your Future. Your Options
- E. Sample Implementation Timeline
- F. Proposed Communication Plan
- G. Empower Capabilities
- H. Plan Sponsor Resources and Reports (Provided on CD)
  - Sample Administration Guide
  - Plan Review
  - Strategic Partnership Plan
  - Quarterly Investment Review
  - Employer Plan Summary Report
  - Plan Service Center Overview
  - Plan Service Center Sample Reports
- I. PDI Data Requirements

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Consolidated Public Retirement Board of West Virginia CRPPB, Inc. CRPPB, Inc.

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### Section 3: Empower Exhibits

- A. Student Debt Solution
- B. Empower Up
- C. Experience Matters
- D. Recordkeeping Technology Security Guide
- E. Information Security Exhibit

## APPENDIX III

### Investment Options



# West Virginia Consolidated Public Retirement Board

Board

## 1. APPENDIX II- INVESTMENT OPTIONS PROPOSED

Empower is not proposing any changes to the fund lineup at this time.

Fund	Investment Objectives	Benchmark	Inception Date	Manager	Manager Tenure (Years)	Assets (\$M) 12/31/18	Expense Ratio (%)	Revenue Sharing (%)	12b-1	Other
Large Cap Growth										
Fund: T. Rowe Price Blue Chip Growth	Large growth.	S&P 500 Index	6/30/1993	Larry J. Puglia	25.75	\$59,817,789,928	0.70%	0.15%		
Large Cap Blend										
Fund: Vanguard Large Cap Index Inv	Capital appreciation	CRSP US Large Cap TR USD	6/30/2005	Michael A. Johnson; Walter Nejman;	2.92	\$21,370,264,453	0.04%			
Large Cap Value										
Fund: Putnam Equity Income Y	Capital appreciation	Russell 1000 Value TR USD	10/1/1998	Darren A. Jaroch; Walter D. Scully;	6.58	\$12,360,707,446	0.66%			
Mid-Cap Growth										
Fund: Great-West T. Rowe Price Mid Cp Gr	Capital appreciation	Russell Mid Cap Growth TR USD	7/1/1997	Brian W.H. Berghuis	21.67	\$1,715,219,531	1.02%	0.35%		
Mid-Cap Blend										
Fund: Carillon Scout Mid Cap	Capital appreciation	Russell Mid Cap TR USD	10/31/2006	G. Patrick Dunkerley Derek M. Smashey; John A. Indelicato; Jason J. Votruba;	12.42	\$2,788,653,023	0.98%	0.15%		
Small-Cap Growth										
Fund: T. Rowe Price QM US Small Cap Growth Eq	Capital appreciation	MSCI US Small Cap Growth GR USD	6/30/1997	Sudhir Nanda	12.42	\$7,494,101,900	0.79%	0.15%		

# West Virginia Consolidated Public Retirement Board

Investment Committee

Fund	Investment Objectives	Benchmark	Inception Date	Manager	Manager Tenure (Years)	Assets (\$M) 12/31/18	Expense Ratio (%)	Revenue Sharing (%)	12b-1	Other
Small-Cap Blend										
Fund: Vanguard Small Cap Index Inv	Capital appreciation	CRSP US Small Cap TR USD	7/7/1997	Gerard C. O'Reilly; William A. Coleman;	2.92	\$91,261,175,708	0.04%			
Small-Cap Value										
Fund: DFA US Targeted Value R1	Capital appreciation	Russell 2000 Value TR USD	1/31/2008	Jed S. Fogdall; Joel P. Schneider;	7.08	\$10,782,025,484	0.47%	0.10%		
International Foreign										
Fund: American Funds EuroPacific GR R5	Capital appreciation	MSCI ACWI Ex USA NR USD	5/15/2002	Mark E. Denning; Carl M. Kawaja; Nicholas J. Grace; Sung Lee; Jesper Lyckeus; Jonathan Knowles; Andrew B. Suzman; Christopher M. Thomsen; Lawrence Kymis;	27.25	\$154,875,011,952	0.53%	0.05%		

# West Virginia Consolidated Public Retirement Board

Fund	Investment Objectives	Benchmark	Inception Date	Manager	Manager Tenure (Years)	Assets (\$M) 12/31/18	Expense Ratio (%)	Revenue Sharing (%)	12b-1	Other
Intermediate Bond Fund										
Fund: Western Asset Core Plus Bond A	Capital appreciation and income	BBgBarc US Agg Bond TR USD	4/30/2012	Carl L. Eichstaedt; Mark S. Lindbloom; S. Kenneth Leech; Jullen A. Scholnick; Frederick R. Mark; John L. Bellows;	20.67	\$24,504,873,054	0.82%	0.25%	0.25%	
Fund: Vanguard Intermediate Term Bond Index Inv	Capital appreciation and income	BBgBarc US 5-10Y GovCredit FIAAdj TR USD	1/26/2006	Joshua C. Barrickman	10.92	\$30,314,383,450	0.05%			
Target-Date Fund										
Fund: Great-West Lifetime 2015 Inv	Capital appreciation and income	Morningstar Lifetime Mod 2015 TR USD	5/1/2009	Andrew Corwin; Jonathan Kreider; Jack Brown; Maria L. Mendelsberg;	4.83	\$853,865,774	0.86%			
Fund: Great-West Lifetime 2025 Inv	Capital appreciation and income	Morningstar Lifetime Mod 2025 TR USD	5/1/2009	Andrew Corwin; Jonathan Kreider; Jack Brown; Maria L. Mendelsberg;	4.83	\$16,79,174,445	0.89%			

# West Virginia Consolidated Public Retirement Board

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Fund	Investment Objectives	Benchmark	Inception Date	Manager	Manager Tenure (Years)	Assets (\$M) 12/31/18	Expense Ratio (%)	Revenue Sharing (%)	12b-1	Other
Fund: Great-West Lifetime 2035 Inv	Capital appreciation and income	Morningstar Lifetime Mod 2035 TR USD	5/1/2009	Andrew Corwin; Jonathan Kreider; Jack Brown; Maria L. Mendelsberg;	4.83	\$1,522,343,623	0.92%			
Fund: Great-West Lifetime 2045 Inv	Capital appreciation and income	Morningstar Lifetime Mod 2045 TR USD	5/1/2009	Andrew Corwin; Jonathan Kreider; Jack Brown; Maria L. Mendelsberg;	4.83	\$888,685,941	0.93%			
Fund: Great-West Lifetime 2055 Inv	Capital appreciation and income	Morningstar Lifetime Mod 2055 TR USD	5/1/2009	Andrew Corwin; Jonathan Kreider; Jack Brown; Maria L. Mendelsberg;	4.83	\$366,809,128	0.94%			
Other										
Fund: TIAA-CREF High Yield Inst	Capital appreciation and income	ICE BofAML BB-B US CP HY Constnd TR USD	3/31/2006	Kevin R. Lorenz; Jean C. Lin;	13	\$4,107,738,677	0.36%			
Other										
Fund: American Funds New Perspective R6 (RNPGX)	Capital appreciation	MSCI ACWI NR USD	5/1/2009	Robert W. Lovelace; Jonathan Knowles; Brady L. Enright; Jody F. Jonsson; Steven T. Watson; Noriko H. Chen; Andraz Razent;	18.25	\$84,328,182,010	0.45%			

# West Virginia Consolidated Public Retirement Board

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Fund	Investment Objectives	Benchmark	Inception Date	Manager	Manager Tenure (Years)	Assets (\$M) 12/31/18	Expense Ratio (%)	Revenue Sharing (%)	12b-1	Other
Other										
Fund: Great-West Trust SecureFoundation Balanced Fund	Capital appreciation and income	Wilshire 5000 Total Mkt TR USD	11/13/2009	Andrew Corwin; Jonathan Kreider; Jack Brown; Maria L. Mendelsberg;	4.83	\$823,466,450	0.60%			

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Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Financial®, Empower Retirement and Great-West Investments™ are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers. Advised Assets Group, LLC and Great-West Capital Management, LLC.

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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.

The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met. Investing in these strategies carries a certain amount of risk. There can be no guarantee that investing in these strategies will prevent loss of an investment.

Dollar-cost averaging, rebalancing and diversification do not ensure a profit and does not protect against loss in declining markets.

Alternative investments generally invest in non-traditional asset categories or strategies. As a result, such investments are subject to unique risks and may be more speculative than traditional investments. These investments may also have direct or indirect exposure to derivatives, which may be more volatile and less liquid than traditional securities. As a result, the option could suffer losses on its derivative positions.

Equity securities of small and mid-size companies may be more volatile than securities of larger, more established companies.

Specialty funds invest in a limited number of companies and are generally non-diversified. As a result, changes in market value of a single issuer could cause greater volatility than with a more diversified fund.

Equity securities of companies located in emerging markets involve greater risks than investments in more established markets, including currency fluctuations, political developments and share illiquidity.

A collective trust stable value fund is offered by a bank or trust company. These investments have interest rate, inflation and credit risks associated with the underlying assets owned by the portfolio or fund. The strength of the wrap contracts, which provide book-value guarantees associated with a fund, depends on the financial strength of the financial institutions issuing the contracts.

Foreign investments involve special risks, including currency fluctuations, taxation differences and political developments.

Compared to more highly rated securities, high-yield bond investment options are subject to greater risk, including the risk of default.

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.

Real estate securities and trusts involve greater risks than other non-diversified investments, including but not limited to: declining property values, varying economic conditions, changes in zoning laws, or losses from casualty. Real estate securities that invest in foreign real estate involve additional risk, including currency fluctuations and political developments.



## West Virginia Consolidated Public Retirement Board

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Generally, the asset allocation of each target date fund will gradually become more conservative as the fund nears the target retirement date. The date in a target date fund's name is the approximate date when investors plan to start withdrawing their money (generally assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal. For more information, please refer to the fund prospectus and/or disclosure document.

Asset allocation and balanced investment options and models are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

Asset allocation funds are generally subject to a fund operating expense at the fund level as well as the prorated fund operating expenses of each underlying fund in which they invest. For more information, see the fund prospectus and/or disclosure document.

A collective trust fund is not a mutual fund and is exempt from SEC registration. Designed for and exclusively sold to qualified retirement plans and their participants, the funds are not available to individual retail investors.

Certain underlying funds invest in Treasury inflation-protected securities ("TIPS"). Unlike conventional bonds, the principal or interest of TIPS is adjusted periodically to a specified rate of inflation (e.g., Consumer Price Index for all Urban Consumers [CPI-U]). There can be no assurance that the inflation index used will accurately measure the actual rate of inflation.

The value of commodity-linked investments may be affected by financial factors, political developments and natural disasters. As such, investment options that invest primarily in commodities may experience greater volatility than investments in traditional securities.

Gross expense ratios are the funds' total annual operating costs expressed as a percentage of the funds' average net assets over a given time period. They are gross of any fee waivers or expense reimbursements. Net expense ratios are the expense ratios after the application of any voluntary or contractual waivers or reimbursements and are the actual ratios that investors paid during the funds' most recent fiscal year. Expense ratios are subject to change.

Core investment options are offered through a group fixed and variable deferred annuity issued by GWL&A or, in New York, by GWL&A of NY; mutual funds; separately managed accounts and/or collective trust funds.

Putnam funds are managed by Putnam Investment Management. Putnam mutual funds are distributed by Putnam Retail Management. Putnam is affiliated with GWL&A and GWL&A of NY and their subsidiaries and affiliates.

Shares of Great-West Funds, Inc. are not sold directly to the general public but are offered to permitted accounts as defined in the prospectus. Asset allocation funds of Great-West Funds may invest in funds that are advised by Great-West Capital Management, LLC or are sub-advised by affiliates of GWCM. Asset allocation funds may also invest in a fixed-interest contract issued by GWL&A. While certain sub-advised funds may be managed similar to or modeled after other mutual funds with similar names and investment objectives, the Great-West Funds are not directly related to them. Consequently, the investment performance and other features of other mutual funds and any similarly named Great-West Fund may differ substantially.

The principal underwriter of Great-West Funds, Inc. is its affiliate GWFS Equities, Inc., Member FINRA/SIPC. Great-West Capital Management, LLC is the investment adviser.

Separately managed accounts are not registered investment products but separate accounts created specifically for the plan. Separately managed funds are not required to file a prospectus or registration statement with the SEC and, accordingly, neither is available.

Empower Retirement anticipates receiving the outlined administrative credit related to the alternative investment lineup for the plan. Changes to this alternative investment lineup may alter the anticipated administrative credit. Actual administrative credit will be disclosed during final contract negotiations if you select Empower Retirement as your plan's service provider.

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GWFS Equities, Inc. reserves the right to change and/or modify pricing.

Be aware that certain mutual funds may be subject to separate and additional redemption fees imposed by the particular fund. Refer to that fund's current prospectus for details. Transaction fees may apply to certain mutual funds. Transaction fees, where applicable, will be noted during online order entry or via your registered representative during broker-assisted trades.



Real-time quotes are available when the markets are open. Trades placed when the markets are closed will be submitted during the next trading session when the markets are open. System availability and response times may vary due to market volatility, system performance or other factors. Options trading may increase the risk of principal loss and is not suitable for all investors.

Unless otherwise noted: Not a Deposit | Not FDIC Insured | Not Bank Guaranteed | Funds May Lose Value | Not Insured by Any Federal Government Agency  
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Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

State of West Virginia  
Request for Proposal  
34 — Service - Prof

Proc Folder: 575316

Doc Description: Third Party Administrator Services for TDC

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2019-05-10	2019-06-20 13:30:00	CRFP 0203 CPR1900000005	1

**BID RECEIVING LOCATION**

BID CLERK  
DEPARTMENT OF ADMINISTRATION  
PURCHASING DIVISION  
2019 WASHINGTON ST E  
CHARLESTON WV 25305  
US

**VENDOR**

Vendor Name, Address and Telephone Number:

Great-West Life & Annuity Insurance Company  
8515 East Orchard Road, Greenwood Village, Colorado 80111  
Telephone: 303-737-3000 or 800-537-2033

**FOR INFORMATION CONTACT THE BUYER**

Brittany E Ingraham  
(304) 558-2157  
brittany.e.ingraham@wv.gov

Signature X

FEIN# 84-0467907

DATE

6/19/19

All offers subject to all terms and conditions contained in this solicitation

**ADDITIONAL INFORMATION:**

Central Request for Proposal

The West Virginia Purchasing Division is soliciting proposals for the agency, the West Virginia Consolidated Public Retirement Board to provide third-party administration (TPA) services, including custodian services, for the West Virginia Teachers' Defined Contribution Retirement System (TDC Plan), per the attached specifications, terms and conditions, and documentation.

INVOICE TO		SHIP TO	
CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE		CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE	
CHARLESTON	WV25304	CHARLESTON	WV 25304
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Third Party Administrator Services (TPA)				

Comm Code	Manufacturer	Specification	Model #
80161500			

**Extended Description :**

Third Party Administrator Services (TPA) for the Teachers Defined Contribution (TDC) Retirement Plan

CPR1900000005	<b>Document Phase</b> Final	<b>Document Description</b> Third Party Administrator Services for TDC	<b>Page 3</b> of 3
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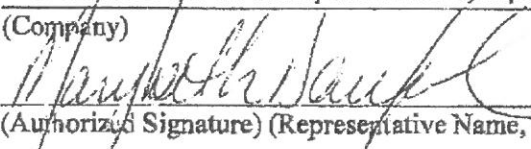
**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions

**DESIGNATED CONTACT:** Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

Don J. Jurgens, Managing Director, Government Markets  
(Name, Title)  
Great-West Life & Annuity Insurance Company  
(Printed Name and Title)  
8515 East Orchard Road, Greenwood Village, Colorado 80111  
(Address)  
770-547-3419, Fax: 303-737-3110  
(Phone Number) / (Fax Number)  
don.jurgens@empower-retirement.com  
(email address)

**CERTIFICATION AND SIGNATURE:** By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

Great-West Life & Annuity Insurance Company  
(Company)  
  
(Authorized Signature) (Representative Name, Title)  
Marybeth Daubenspeck, Vice President, Government Markets  
(Printed Name and Title of Authorized Representative)  
6/19/19  
(Date)  
303-737-5261, Fax: 303-737-3110  
(Phone Number) (Fax Number)

# **REQUEST FOR PROPOSAL**

## **(Consolidated Public Retirement Board - CRFP CPR1900000005)**

### **SECTION 6: EVALUATION AND AWARD**

- 6.1. Evaluation Process:** Proposals will be evaluated in two parts by a committee of three (3) or more individuals. The first evaluation will be of the technical proposal and the second is an evaluation of the cost proposal. The Vendor who demonstrates that it meets all of the mandatory specifications required, attains the minimum acceptable score and attains the highest overall point score of all Vendors shall be awarded the contract.
- 6.2. Evaluation Criteria:** Proposals will be evaluated based on criteria set forth in the solicitation and information contained in the proposals submitted in response to the solicitation. The technical evaluation will be based upon the point allocations designated below for a total of 70 of the 100 points. Cost represents 30 of the 100 total points.

#### **Evaluation Point Allocation:**

##### **Project Goals and Proposed Approach**

- |                                                                            |                    |
|----------------------------------------------------------------------------|--------------------|
| - Approach & Methodology to Goals/Objectives                               | 15 Points Possible |
| - Approach & Methodology to Compliance with Mandatory Project Requirements | 20 Points Possible |

##### **Qualifications and experience**

- |                                         |                    |
|-----------------------------------------|--------------------|
| Qualifications and Experience Generally | 25 Points Possible |
|-----------------------------------------|--------------------|

##### **Oral Presentation**

10 Points Possible

##### **Total Technical Score:**

70 Points Possible

##### **Total Cost Score:**

30 Points Possible

**Total Proposal Score: 100 Points Possible**

- 6.3. Technical Bid Opening:** At the technical bid opening, the Purchasing Division will open and announce the technical proposals received prior to the bid opening deadline. Once opened, the technical proposals will be provided to the Agency evaluation committee for technical evaluation.
- 6.4. Technical Evaluation:** The Agency evaluation committee will review the technical proposals, assign points where appropriate, and make a final written recommendation to the Purchasing Division.

# **REQUEST FOR PROPOSAL**

## **(Consolidated Public Retirement Board - CRFP CPR1900000005)**

### **6.5. Proposal Disqualification:**

**6.5.1. Minimum Acceptable Score ("MAS"):** Vendors must score a minimum of 70% (49 points) of the total technical points possible in order to move past the technical evaluation and have their cost proposal evaluated. All vendor proposals not attaining the MAS will be disqualified.

**6.5.2. Failure to Meet Mandatory Requirement:** Vendors must meet or exceed all mandatory requirements in order to move past the technical evaluation and have their cost proposals evaluated. Proposals failing to meet one or more mandatory requirements of the RFP will be disqualified.

**6.6. Cost Bid Opening:** The Purchasing Division will schedule a date and time to publicly open and announce cost proposals after technical evaluation has been completed and the Purchasing Division has approved the technical recommendation of the evaluation committee. All cost bids received will be opened. Cost bids for disqualified proposals will be opened for record keeping purposes only and will not be evaluated or considered. Once opened, the cost proposals will be provided to the Agency evaluation committee for cost evaluation.

The Purchasing Division reserves the right to disqualify a proposal based upon deficiencies in the technical proposal even after the cost evaluation.

**6.7. Cost Evaluation:** The Agency evaluation committee will review the cost proposals, assign points in accordance with the cost evaluation formula contained herein and make a final recommendation to the Purchasing Division.

**Cost Evaluation Formula:** Each cost proposal will have points assigned using the following formula for all Vendors not disqualified during the technical evaluation. The lowest cost of all proposals is divided by the cost of the proposal being evaluated to generate a cost score percentage. That percentage is then multiplied by the points attributable to the cost proposal to determine the number of points allocated to the cost proposal being evaluated.

**Step 1:**  $\text{Lowest Cost of All Proposals} / \text{Cost of Proposal Being Evaluated} = \text{Cost Score Percentage}$

**Step 2:**  $\text{Cost Score Percentage} \times \text{Points Allocated to Cost Proposal} = \text{Total Cost Score}$

**Example:**

Proposal 1 Cost is \$1,000,000

Proposal 2 Cost is \$1,100,000

Points Allocated to Cost Proposal is 30

**Proposal 1:** Step 1 –  $\$1,000,000 / \$1,000,000 = \text{Cost Score Percentage of } 1 (100\%)$   
Step 2 –  $1 \times 30 = \text{Total Cost Score of } 30$

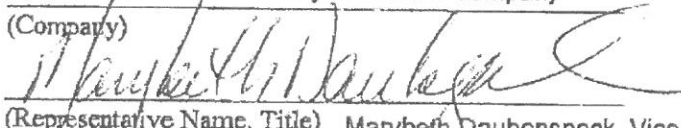
**Proposal 2:** Step 1 –  $\$1,000,000 / \$1,100,000 = \text{Cost Score Percentage of } 0.909091 (90.9091\%)$   
Step 2 –  $0.909091 \times 30 = \text{Total Cost Score of } 27.27273$



**REQUEST FOR PROPOSAL**  
(Consolidated Public Retirement Board - CRFP CPR1900000005)

- 6.8. **Availability of Information:** Proposal submissions become public and are available for review immediately after opening pursuant to West Virginia Code §5A-3-11(h). All other information associated with the RFP, including but not limited to, technical scores and reasons for disqualification, will not be available until after the contract has been awarded pursuant to West Virginia Code of State Rules §148-1-6.3.d.

By signing below, I certify that I have reviewed this Request for Proposal in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that, to the best of my knowledge, the bidder has properly registered with any State agency that may require registration. Additionally, I certify that I understand that the order of precedence regarding the resulting contract from this procurement is: Contract, this RFP, and then the successful Vendor's proposal in response to this RFP.

Great-West Life & Annuity Insurance Company  
(Company)  
  
(Representative Name, Title) Marybeth Daubenspeck, Vice President, Government Markets  
303-737-5261, Fax: 303-737-3110  
(Contact Phone/Fax Number)  
6/19/19  
(Date)

## Legal Exceptions and Recommended Changes

We have thoroughly reviewed and understand the requirements stated in this RFP and have noted our exceptions to the terms and conditions of the Agency's contractual requirements below.

T&C'S SECTION	SECTION NUMBER	EXCEPTION (PROVIDE DETAILED EXPLANATION)
		<p>The following are suggested changes regarding the sample agreement provided. The existing contractual relationship between our two organizations is heavily customized and specific to the scope of services Empower and its affiliates provide Plan Sponsor and our response today builds upon that existing agreement. Therefore, these edits reflect our existing and already negotiated relationship in addition to accepting many of the new concepts introduced by Plan Sponsor as a result of this process and provide clarity around Empower's current industry standard positions.</p>
General Terms & Conditions	Section 27	<p><b>EXCEPTION:</b> Empower has reviewed the Assignment provision and we can agree, with the following caveat: Notwithstanding the foregoing, Plan Sponsor acknowledges and agrees that Empower may utilize the services of affiliates, agents, vendors and suppliers selected by Empower. Empower's use of any such party will not relieve Empower of its obligations hereunder, and Empower shall at all times remain liable for the performance of the Services hereunder. In addition, Empower may assign this Agreement in connection with: (i) the sale of substantially all of its assets or the assets of any business unit to an entity that assumes its obligations under this Agreement; (ii) a merger, acquisition or divestiture; and/or (iii) a transfer to a parent or affiliate, in each case without the Plan Sponsor's consent.</p>
General Terms & Conditions	Section 30	<p><b>EXCEPTION:</b> Empower has reviewed the Privacy, Security &amp; Confidentiality provision and provides the attached Information Security and Privacy Exhibit in response to the above provision. Empower recommends that West Virginia adopt our Information Security and Privacy Exhibit so that the Empower Retirement Security Guarantee, which is highly competitive in the marketplace, can be extended to your plan participants. <u>Empower acknowledges that the parties have recently negotiated this section as it pertains to an Addendum to our existing contract, and understands that such resolution around these policies and procedures in said Addendum, will be precisely inherited into the renewal contract if awarded the bid.</u></p>

West Virginia Consolidated Public Retirement Board

1. P

T&C'S SECTION	SECTION NUMBER	EXCEPTION (PROVIDE DETAILED EXPLANATION)
General Terms & Conditions	Section 36	<p><b>EXCEPTION:</b> Empower has reviewed the <u>Indemnification</u> provision and suggests the replacement of the language with the following, to be consistent with our current position in the existing contract:</p> <p>Empower agrees to indemnify the Plan Sponsor from and against any and all expenses, costs, reasonable attorneys' fees, settlements, fines, judgments, damages, liabilities, penalties or court awards asserted by a third party (collectively, "Damages") to the extent resulting from Empower's breach of this Agreement, negligence, or willful misconduct. Notwithstanding anything to the contrary herein, Empower shall not be liable to Plan Sponsor for any Damages resulting from: 1) any acts or omissions undertaken at the direction of the Plan Sponsor or any authorized agent thereof; 2) any direction of any third party retained by Plan Sponsor to provide services relating to the Plan, including but not limited to prior service providers, investment advisors, or any authorized agent thereof; or 3) any performance of the Services that is in strict compliance with the terms of this Agreement.</p>
General Terms & Conditions	Section 41	<p><b>EXCEPTION:</b> Empower has reviewed the <u>Background Checks</u> provision and provides the following response:</p> <p>To protect the privacy and PII of our associates, we would not submit to background searches of any type to be conducted on our associates outside of Great-West. GWF conducts a comprehensive background search that aligns with Section 19 of the FDIC as adjudication guidelines. In addition, associates that hold FINRA registrations submit to an additional fingerprinting background search in compliance with FINRA regulations. <u>In addition, Empower acknowledges that the parties have come to an agreement on this very same provision in an Addendum to the existing contract. Empower understands such resolution will be precisely inherited into the renewal contract if awarded the bid.</u></p>
General Terms & Conditions	Section 8	<p>Empower has reviewed the insurance requirements included in this RFP and currently maintains coverage in types and amounts that meet or exceed those requirements. Upon award of the contract, Empower reserves the right to make minor modifications to the proposed contract language as needed to align with policy design and carrier requirements.</p>



Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

State of West Virginia  
Request for Proposal  
34 - Service - Prof

Proc Folder: 575316

Doc Description: Addendum No. 1 - Third Party Administrator Services for TDC

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2019-05-13	2019-06-21 13:30:00	CRFP 0203 CPR1900000005	2

**BID RECEIVING LOCATION**

BID CLERK

DEPARTMENT OF ADMINISTRATION

PURCHASING DIVISION

2019 WASHINGTON ST E

CHARLESTON

WV 25305

US

**VENDOR**

Vendor Name, Address and Telephone Number:

Great-West Life & Annuity Insurance Company  
8515 East Orchard Road  
Greenwood Village, Colorado 80111  
Telephone: 303-737-3000 or 800-537-2033

**FOR INFORMATION CONTACT THE BUYER**

Brittany E Ingraham  
(304) 558-2157  
brittany.e.ingraham@wv.gov

Signature X

FEIN # 84-0467907

DATE

All offers subject to all terms and conditions contained in this solicitation

**ADDITIONAL INFORMATION:**

Addendum

Addendum No.01 issued to publish and distribute the attached information to the vendor community.

\*\*\*\*\*

**Central Request for Proposal**

The West Virginia Purchasing Division is soliciting proposals for the agency, the West Virginia Consolidated Public Retirement Board to provide third-party administration (TPA) services, including custodian services, for the West Virginia Teachers' Defined Contribution Retirement System (TDC Plan). per the attached specifications, terms and conditions, and documentation.

INVOICE TO	SHIP TO
CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE  CHARLESTON WV25304  US	CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE  CHARLESTON WV 25304  US

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Third Party Administrator Services (TPA)				

Comm Code	Manufacturer	Specification	Model #
80161500			

**Extended Description :**

Third Party Administrator Services (TPA) for the Teachers Defined Contribution (TDC) Retirement Plan

CPR1800000005	<b>Document Phase</b> Final	<b>Document Description</b> Addendum No. 1 - Third Party Administrator Services for TDC	<b>Page 3 of 3</b>
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# **ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions



Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

State of West Virginia  
Request for Proposal  
34 - Service - Prof

Proc Folder: 575316

Doc Description: Addendum No. 2 - Third Party Administrator Services for TDC

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2019-05-28	2019-06-21 13:30:00	CRFP 0203 CPR1900000005	3

**BID RECEIVING LOCATION**

BID CLERK

DEPARTMENT OF ADMINISTRATION

PURCHASING DIVISION

2019 WASHINGTON ST E

CHARLESTON

WV 25305

US

**VENDOR**

Vendor Name, Address and Telephone Number:

Great-West Life & Annuity Insurance Company  
8515 East Orchard Road  
Greenwood Village, Colorado 80111  
Telephone: 303-737-3000 or 800-537-2033

**FOR INFORMATION CONTACT THE BUYER**

Brittany E Ingraham  
(304) 558-2157  
brittany.e.ingraham@wv.gov

Signature X

FEIN # 84-0467907

DATE

6/19/19

All offers subject to all terms and conditions contained in this solicitation



**ADDITIONAL INFORMATION:**

Addendum

Addendum No.02 issued to publish and distribute the attached information to the vendor community.

\*\*\*\*\*

**Central Request for Proposal**

The West Virginia Purchasing Division is soliciting proposals for the agency, the West Virginia Consolidated Public Retirement Board to provide third-party administration (TPA) services, including custodian services, for the West Virginia Teachers' Defined Contribution Retirement System (TDC Plan), per the attached specifications, terms and conditions, and documentation.

INVOICE TO		SHIP TO	
CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE		CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE	
CHARLESTON	WV25304	CHARLESTON	WV 25304
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Third Party Administrator Services (TPA)	0.00000			

Comm Code	Manufacturer	Specification	Model #
80161500			

**Extended Description :**

Third Party Administrator Services (TPA) for the Teachers Defined Contribution (TDC) Retirement Plan



Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

State of West Virginia  
Request for Proposal  
34 — Service - Prof

Proc Folder: 575316

Doc Description: Addendum No. 3 - Third Party Administrator Services for TDC

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2019-06-11	2019-06-21 13:30:00	CRFP 0203 CPR1800000005	4

**BID RECEIVING LOCATION**

BID CLERK  
DEPARTMENT OF ADMINISTRATION  
PURCHASING DIVISION  
2019 WASHINGTON ST E  
CHARLESTON WV 25305  
US

**VENDOR**

Vendor Name, Address and Telephone Number:

Great-West Life & Annuity Insurance Company  
8515 East Orchard Road  
Greenwood Village, Colorado 80111  
Telephone: 303-737-3000 or 800-537-2033

**FOR INFORMATION CONTACT THE BUYER**

Brittany E Ingraham  
(304) 558-2157  
brittany.e.ingraham@wv.gov

Signature X

FEIN # 84-0467907

DATE

6/17/19

All offers subject to all terms and conditions contained in this solicitation

**ADDITIONAL INFORMATION:**

Addendum

Addendum No.03 issued to publish and distribute the attached information to the vendor community.

\*\*\*\*\*

**Central Request for Proposal**

The West Virginia Purchasing Division is soliciting proposals for the agency, the West Virginia Consolidated Public Retirement Board to provide third-party administration (TPA) services, including custodian services, for the West Virginia Teachers' Defined Contribution Retirement System (TDC Plan), per the attached specifications, terms and conditions, and documentation.

INVOICE TO		SHIP TO	
CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE		CONSOLIDATED PUBLIC RETIREMENT 4101 MACCORKLE AVE SE	
CHARLESTON	WV25304	CHARLESTON	WV 25304
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Third Party Administrator Services (TPA)	0.00000			

Comm Code	Manufacturer	Specification	Model #
80161500			

Extended Description :

Third Party Administrator Services (TPA) for the Teachers Defined Contribution (TDC) Retirement Plan

**ADDENDUM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: CRFP CPR18\*05**

**Instructions:** Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

**Acknowledgment:** I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

**Addendum Numbers Received:**

(Check the box next to each addendum received)

<input checked="" type="checkbox"/> Addendum No. 1	<input type="checkbox"/> Addendum No. 6
<input checked="" type="checkbox"/> Addendum No. 2	<input type="checkbox"/> Addendum No. 7
<input type="checkbox"/> Addendum No. 3	<input type="checkbox"/> Addendum No. 8
<input type="checkbox"/> Addendum No. 4	<input type="checkbox"/> Addendum No. 9
<input type="checkbox"/> Addendum No. 5	<input type="checkbox"/> Addendum No. 10

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Great-West Life & Annuity Insurance Company  
\_\_\_\_\_  
Company  
*Manuel M. Dauler*  
\_\_\_\_\_  
Authorized Signature  
6/19/19  
\_\_\_\_\_  
Date

**NOTE:** This addendum acknowledgment should be submitted with the bid to expedite document processing.  
Revised 6/8/2012

**ADDENDUM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: CRFP CPR18\*05**

**Instructions:** Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

**Acknowledgment:** I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

**Addendum Numbers Received:**

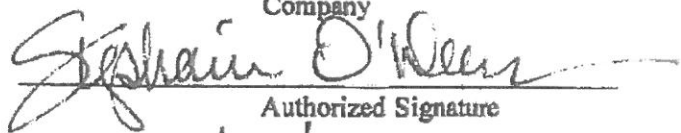
(Check the box next to each addendum received)

<input type="checkbox"/> Addendum No. 1	<input type="checkbox"/> Addendum No. 6
<input type="checkbox"/> Addendum No. 2	<input type="checkbox"/> Addendum No. 7
<input checked="" type="checkbox"/> Addendum No. 3	<input type="checkbox"/> Addendum No. 8
<input type="checkbox"/> Addendum No. 4	<input type="checkbox"/> Addendum No. 9
<input type="checkbox"/> Addendum No. 5	<input type="checkbox"/> Addendum No. 10

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Great-West Life & Annuity Insurance Company

Company



Authorized Signature

6/17/19

Date

**NOTE:** This addendum acknowledgment should be submitted with the bid to expedite document processing.  
Revised 6/8/2012



## Marybeth Daubenspeck

Vice President, Government Markets

Marybeth Daubenspeck is Vice President of Government Markets for Empower Retirement. In her role, Marybeth is responsible for overseeing client satisfaction in the eastern region. She also provides plan design guidance and oversight for the ongoing service of client programs and helps to ensure the quality and effectiveness of communication and service functions.

Marybeth joined the organization in 1986 and has served in multiple leadership roles across the organization. At Empower Institutional she was responsible for institutional partners, which represent over 10,000 plans, 1 million plan participants and \$50 billion in plan assets.<sup>1</sup>

Marybeth holds bachelor's degrees in business and marketing from Columbia College and a master's degree in communications from the University of Denver. She currently maintains FINRA Series 6, 26, 63 and 99 securities registrations and is a member of the National Association of Government Defined Contribution Administrators (NAGDCA) and the National Association of State Retirement Administrators (NASRA).

<sup>1</sup> As of June 30, 2017.

Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: NY, NY; and their subsidiaries and affiliates. The trademarks, logos, service marks, and design elements used are owned by their respective owners and are used by permission. Any listed previous employers/firms are not affiliated with GWL&A or its subsidiaries.

Empower Institutional refers to retirement recordkeeping services offered by FAScore, LLC (d/b/a FAScore Administrators, LLC in California) and its affiliates. The trademarks, logos, service marks and design elements used are owned by their respective owners and are used by permission.

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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.

AM235817-0717



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## Donald J. Jurgens

Managing Director, Government Markets

Don Jurgens is Managing Director of Government Markets for Empower Retirement. In his role, Don is responsible for managing and maintaining relationships with large government plans and enhancing overall client satisfaction. He has a passion for retirement planning and enjoys educating plan sponsors and helping public sector employees.

Don joined the organization in 2014 and has also served as National Sales Manager for the government market segment. He has been active in the defined contribution marketplace since 1988, spending the majority of his career serving the government market. Prior to joining the firm he worked at ICMA-RC, where he served in roles that included National Sales Manager, Consultant Relations Program Manager and Direct Sales Representative, and at Northern Trust and VALIC.

Don holds a bachelor's degree from Purdue University. He currently maintains FINRA Series 6, 26 and 63 securities registrations.

Great-West Financial®, Empower Retirement and Great-West Investments™ are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC.

This material has been prepared for informational and educational purposes only and is not intended to provide investment, legal or tax advice.

AM561874-3-0718





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## Bryan Peart

**Manager, Client Services Government Markets**

Bryan Peart is Manager of Client Services for Empower Retirement. In his role, Bryan is responsible for managing the client service managers who handle the day to day operations of plans. He joined the organization in 2000, where he gained experience working as an administrator, coordinator, and analyst. In 2006, he was promoted to oversee the operational responsibilities for a number of large governmental clients.

Bryan earned a Bachelor of Arts degree in public relations and advertising with a minor in economics from the University of Northern Colorado. Bryan is active in a number of charities, including Ho-Bo Care Boxer Rescue and Stymie Canine Cancer Foundation.

He currently maintains FINRA Series 6 and 26 securities registrations.

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This material has been prepared for informational and educational purposes only and is not intended to provide investment, legal or tax advice.



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## Jennah Ross

### Senior Client Service Manager

Jennah Ross is a Senior Client Service Manager for Empower Retirement. In her role, she is responsible for managing the day-to-day operations of large government plans. She also collaborates with the client service team and other functional areas to facilitate resolutions for any service-related issues or ideas for initiatives raised by plan sponsors.

Jennah joined the organization in 2001 and has also served as a Benefits Processor and as a Client Service Manager. As a Plan Technical Support Manager, she led several website enhancement projects that directly supported government plans.

Jennah currently maintains the FINRA Series 6 securities registration.

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This material has been prepared for informational and educational purposes only and is not intended to provide investment, legal or tax advice.

AM581702-0718



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## Chris Meadows

### Retirement Plan Advisor

Chris has over 13 years of experience in the financial services industry. For the past two years, he served as Retirement Plan Counselor/Advisor for the West Virginia Teachers Defined Contribution 401(a) Plan. The previous nine years, he served as agent and owner of an independent financial services business. Prior to that, Chris started his career with MetLife/New England Financial as a career agent from 2005 to 2007.

Chris attended West Virginia University in Morgantown, West Virginia earning a Bachelor of Science degree in 1998.

Chris currently maintains FINRA Series 6, 63 and 65 securities registrations and has a West Virginia life and health insurance license.

Great-West Financial<sup>®</sup>, Empower Retirement and Great-West Investments<sup>™</sup> are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC.

This material has been prepared for informational and educational purposes only and is not intended to provide investment, legal or tax advice.



---

## Jennifer Bailey

**Lead Strategist Participant Communications Government**

Jenni Bailey is a Communications Lead for Empower. In her role, Jenni is responsible for the development and execution of strategic communication plans for all of the large government plans in the team's south region. She joined Empower in 2011.

Jenni holds a bachelor's degree in journalism from Louisiana College and currently maintains a FINRA Series 6 securities registration.

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This material has been prepared for informational and educational purposes only and is not intended to provide investment, legal or tax advice.



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## Megan M. Jurasic

Participant Communication Strategist

Megan Jurasic is a Participant Communication Strategist for Empower Retirement. In her role, she is responsible for the execution of strategic communication plans for government clients in the south region.

Megan joined the organization in 2008.

Megan holds a bachelor's degree in marketing from California State University, Long Beach and currently maintains the FINRA Series 6 securities registration.



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## William Thornton

### Investment Sales Director

Bill Thornton is an Investment Sales Director for Great-West Investments™ covering all government markets. In his role, Bill works closely with government clients around the country representing Great-West investment products and serves as the primary client liaison for Great-West Financial® custom stable value clients. In addition, Bill serves as the lead investment strategist for several of Empower Retirement's largest government retirement plan clients.

Bill joined the organization in 2007 and has over 20 years of experience working with retirement plans, charitable endowments, not-for-profit organizations and personal trusts.

Bill holds a bachelor's degree in economics and business administration from Thomas More College, where he graduated with honors. He currently maintains FINRA Series 6, 63 and 65 securities registrations as well as variable insurance licenses in all 50 states.

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AM 248919-0817

# In-Service Withdrawal Request 401(k) Plan

XYZ Company 401(k) Plan

932777-01

When would I use this form?

When I am requesting a withdrawal and I am still employed by the employer/company sponsoring this Plan.

## Additional Information

- For purposes of this form, the terminology "Withdrawal" is the same as "Distribution".
- By logging into my account on the website at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant), I may confirm the address that is on file and track the status of this withdrawal request.
- For questions regarding this form, refer to the attached Participant Withdrawal Guide ("Guide"), visit the website at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) or contact Service Provider at 1-800-338-4015.
- Return Instructions for this form are in Section H.
- Use black or blue ink when completing this form.

## A What is my personal information?

(Continue to the next section after completing.)

Account extension, if applicable, identifies funds transferred to a beneficiary due to participant's death, alternate payee due to divorce or a participant with multiple accounts.

Account Extension

--	--	--	--	--	--	--	--	--	--

Social Security Number or Taxpayer Identification Number  
(Must provide all 9 digits)

Last Name

First Name

M.I.

Date of Birth (mm/dd/yyyy)

Division/Employer/Payroll Center

☐ Married ☐ Unmarried

Email Address - By providing an email address above, I am consenting to receive emails related to this request.

Select One:

☐ U.S. Citizen ☐ U.S. Resident Alien

Daytime Phone Number

☐ Non-Resident Alien or Other

Alternate Phone Number

Country of Residence (Required)

## B What is my reason for this withdrawal?

Must select only one reason. Restrictions apply; See Guide for details.

(Continue to the next section after completing.)

☐ I am Age 59½ or older

☐ I am employed with the employer/company sponsoring this plan.

☐ After-Tax Contributions and Earnings

☐ Required Minimum Distribution (Age 70½ or older and I own more than 5% of the employer/company sponsoring this Plan)

## C What type of withdrawal and how much am I requesting?

100% withdrawal will be the Maximum Amount Available

(Continue to the next section after completing.)

Do I want my funds associated with Great-West SecureFoundation® Guaranteed Lifetime Withdrawal Benefit ("GLWB") to be included with this withdrawal request?

☐ Yes ☐ No (See the Guide for additional information)

If I elect to include these funds with all other assets on this request, I may reduce my Benefit Base and may eliminate the associated guaranteed income benefit.

The funds associated with GLWB are:

Great-West SecureFoundation Balanced G

Great-West SecureFoundation LT 2020 G

Great-West SecureFoundation LT 2015 G

Great-West SecureFoundation LT 2025 G

☐ Payable to me as a One-time Withdrawal

Amount Non-Roth \_\_\_\_\_ % or \$

Contribution Source: \_\_\_\_\_

Amount Roth \_\_\_\_\_ % or \$

Contribution Source: \_\_\_\_\_

If I am electing this option for my Required Minimum Distribution, I must enter a dollar amount. Percentages are unavailable.

☐ Net Amount (The amount I will receive after applicable income taxes and fees are withheld.)

☐ Gross Amount (The amount I will receive will be less than the amount requested after applicable income taxes and fees are withheld.)



Last Name \_\_\_\_\_

First Name \_\_\_\_\_

M.I. \_\_\_\_\_

Social Security Number \_\_\_\_\_

932777-01

Number

**C What type of withdrawal and how much am I requesting?**

100% withdrawal will be the Maximum Amount Available

(Continue to the next section after completing.)

- ☐ **Rollover to an Empower Retirement IRA as a One-time Withdrawal** (To avoid any processing delays, contact the Retirement Solutions Center at 1-877-804-8287 to open an account by phone OR complete an Empower Retirement IRA Application at [www.empower-retirement.com/ira](http://www.empower-retirement.com/ira); \$500.00 minimum vested balance required.)

**Non-Roth**

- ☐ Traditional IRA Amount \_\_\_\_\_ % or \$ \_\_\_\_\_  
☐ Roth IRA Amount \_\_\_\_\_ % or \$ \_\_\_\_\_ (Taxable event - Subject to ordinary income taxes)

My after-tax contributions will be included in my rollover, unless I mark this box: ☐ No, pay my after-tax contributions to me.

**Roth**

- ☐ Roth IRA Amount \_\_\_\_\_ % or \$ \_\_\_\_\_

**Required Minimum Distribution**

If I am requesting a 100% Withdrawal as a Direct Rollover and I am age 70½ or older by the end of this year, I own more than 5% of the employer/company sponsoring this Plan, and if I have not yet satisfied my required minimum distribution for this year, my required amount must be distributed prior to processing this rollover request.

Required Minimum Distribution Amount \$ \_\_\_\_\_

Unless I make a selection below, the Required Minimum Distribution will be prorated from all contribution sources.

Withdraw from (Select One):

- ☐ Non-Roth contribution sources only  
☐ Roth contribution sources only

Complete Required Minimum Distribution portion of the "How will my income taxes be withheld?" section.

- ☐ **Rollover to an IRA at Another Retirement Provider or an Eligible Retirement Plan as a One-time Withdrawal**

**Non-Roth**

Eligible Retirement Plan: ☐ 401(a) ☐ 401(k) ☐ 403(b) ☐ Governmental 457(b)  
Amount \_\_\_\_\_ % or \$ \_\_\_\_\_

- ☐ Traditional IRA Amount \_\_\_\_\_ % or \$ \_\_\_\_\_  
☐ Roth IRA Amount \_\_\_\_\_ % or \$ \_\_\_\_\_ (Taxable event - Subject to ordinary income taxes)

My after-tax contributions will be included in my rollover, unless I mark this box: ☐ No, pay my after-tax contributions to me.

**Roth**

Eligible Retirement Plan (Must have a designated Roth Account): ☐ 401(k) ☐ 403(b) ☐ Governmental 457(b)

Amount \_\_\_\_\_ % or \$ \_\_\_\_\_  
☐ Roth IRA Amount \_\_\_\_\_ % or \$ \_\_\_\_\_

**Required Minimum Distribution**

If I am requesting a 100% Withdrawal as a Direct Rollover and I am age 70½ or older by the end of this year, I own more than 5% of the employer/company sponsoring this Plan, and if I have not yet satisfied my required minimum distribution for this year, my required amount must be distributed prior to processing this rollover request.

Required Minimum Distribution Amount \$ \_\_\_\_\_

Unless I make a selection below, the Required Minimum Distribution will be prorated from all contribution sources.

Withdraw from (Select One):

- ☐ Non-Roth contribution sources only  
☐ Roth contribution sources only

Complete Required Minimum Distribution portion of the "How will my income taxes be withheld?" section.

Last Name

First Name

M.I.

Social Security Number

932777-01

Number

**C What type of withdrawal and how much am I requesting?**

100% withdrawal will be the Maximum Amount Available

(Continue to the next section after completing.)

☐ **Periodic Installment Payments** (This option is only available if I am 100% vested. Complete the information below.)☐ I am requesting to establish a new Periodic Installment Payment.☐ I am making a change to an existing Periodic Installment Payment.☐ I am requesting a one-time withdrawal payable to me of \$\_\_\_\_\_ or \_\_\_\_\_% at the same time I am requesting this Periodic Installment Payment.

Unless I make a selection below, the payment will be calculated and prorated from all contribution sources.

☐ Deplete Non-Roth Contribution Sources First (Once the Non-Roth contribution sources are depleted, the payment will continue and will then be prorated between all available Roth contribution sources.)

OR

☐ Deplete Non-Roth Contribution Sources Only (The payment will stop once the Non-Roth contribution sources are depleted.)

OR

☐ Deplete Roth Contribution Sources Only (The payment will stop once the Roth contribution sources are depleted.)

First Payment Processing Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ (1st - 28th only)

Frequency - Select One: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ AnnuallyPayment Type - Select One: ☐ Amount Certain (Gross Amount Only) \$\_\_\_\_\_☐ Period Certain (Specific Number of Years) \_\_\_\_\_☐ Interest Only Payments, Converted to Required Minimum Distribution at age 70½ (Must have at least one fixed investment option and attach copy of Birth Certificate or Driver's License)☐ **Fixed Annuity Purchase** (Complete information below and see Guide for additional information about the available options.)

I need to attach the IRS Form W-4P and, if applicable, state income tax withholding form.

☐ Full ☐ Partial ☐ Non-Roth \$\_\_\_\_\_ Roth \$\_\_\_\_\_

Purchase Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ First Payment Processing Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Frequency - Select One ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ AnnuallyPayment Type - Select One ☐ Income of an Amount Certain (Gross Amount Only) \$\_\_\_\_\_☐ Income for a Period Certain (Number of Years) \_\_\_\_\_The following payment type options have monthly frequencies only.☐ Fixed Life Annuity with Guaranteed Period (Attach copy of Birth Certificate or Driver's License)Select Guaranteed Period: ☐ 5 Years ☐ 10 Years ☐ 15 Years ☐ 20 Years☐ Fixed Life Annuity - Life Only, No Death Benefit (Attach copy of Birth Certificate or Driver's License)☐ Joint Life (Attach copy of Birth Certificate or Driver's License for both primary and joint annuitants)

Joint Annuitants' Name: \_\_\_\_\_ Relationship: \_\_\_\_\_

Select Survivor Benefit: ☐ 50% ☐ 75% ☐ 100%Select Guaranteed Period (Optional): ☐ 5 Years ☐ 10 Years ☐ 15 Years ☐ 20 Years**D If I am requesting a Rollover, To whom do I want my withdrawal payable and where should it be sent?**

(Continue to the next section after completing.)

Do not complete if requesting Payable to Me, Rollover to Empower Retirement IRA or Fixed Annuity Purchase.

**Non-Roth**

If I have after-tax assets and would like to direct my after-tax contributions to a Rollover payee other than the one listed below, I must attach a letter of instruction listing the same information that is required in this section and must include the type of payee, my name, social security number, signature and date.

Name of Trustee/Custodian/Provider (To whom the check is made payable)

Mailing Address

City/State/Zip Code

Phone Number

Account Number

Retirement Plan Name (if applicable)

**Roth**

If I would like to direct Roth earnings to a Rollover payee other than the one listed below, I must attach a letter of instruction listing the same information that is required in this section and must include the type of payee, my name, social security number, signature and date.

Name of Trustee/Custodian/Provider (To whom the check is made payable)

Mailing Address

City/State/Zip Code

Phone Number

Account Number

Retirement Plan Name (if applicable)

Last Name

First Name

M.I.

Social Security Number

932777-01

Number

**E How do I want my withdrawal delivered?**

Select One - Delivery of payment is based on completion of the withdrawal process, which includes receipt of a complete request in good order and additional/required information from my employer.

(Continue to the next section after completing.)

- If no option is selected, all transactions will be sent by United States Postal Service ("USPS") regular mail.
  - If I would like to make a change to what I previously selected, I must cross-out and initial the change(s). If I do not initial all changes, all transactions will be sent by USPS regular mail.
  - ☐ **Check by USPS Regular Mail**
    - Estimated delivery time is 7-10 business days
    - No additional charge
  - ☐ **Check by Express Delivery**
    - Estimated delivery time is 1-2 business days
    - A non-refundable charge of up to \$25.00 will be deducted, in addition to any withdrawal fees, for each transaction.
    - For example, if I elected to make a full withdrawal payable to me and the remainder rolled over to an eligible plan, and I have Non-Roth, Roth and after-tax money sources, there will be 5 different transactions and I may be charged up to a total of \$125.00 for the Express delivery fees.
    - Not available for Periodic Installment/Annuity Payments
    - Available for delivery, Monday - Friday, with no signature required upon delivery
    - If address is a P.O. Box, check will be sent by USPS Express and estimated delivery time is 2-3 business days.
  - ☐ **Direct Deposit via Automated Clearing House ("ACH")**
    - Estimated delivery time is 2-3 business days
    - A non-refundable charge of up to \$15.00 will be deducted, in addition to any withdrawal fees, for each transaction.
    - For example, if I elected to make a full withdrawal payable to me, and I have both Non-Roth and Roth money sources, there will be 2 different transactions and I may be charged up to a total of \$30.00 for the ACH delivery fees.
    - Not available for Direct Rollovers
    - Available for Periodic Installment/Annuity Payments at no charge
    - If I have requested a periodic installment payment and my first payment processing date does not allow for the 10 day pre-notification process, I understand that my first payment will be sent by check to my address on file.
    - The name on my checking/savings account **MUST** match the name on file with Service Provider.
    - Failure to provide mandatory supporting documentation will result in a significant delay in my request.
  - ☐ **Checking Account** - **MUST** include a copy of a preprinted voided check for the receiving account. I may also attach a letter on financial institution letterhead, signed by a representative from the receiving institution, which includes my name, checking account number and ABA routing number.
  - ☐ **Savings Account** - **MUST** include a letter on financial institution letterhead, signed by a representative from the receiving institution, which includes my name, savings account number and ABA routing number.
- An ACH request cannot be sent to a prepaid debit card, business account or other retirement Plan. If the ACH information outlined above is missing, incomplete or inaccurate, this request may be rejected and my withdrawal may be delayed. By requesting my withdrawal via ACH deposit, I certify, represent and warrant that the account requested for an ACH deposit is established at a financial institution or a branch of a financial institution located within the United States and there are no standing orders to forward any portion of my ACH deposit to an account that exists at a financial institution or a branch of a financial institution in another country. I understand that it is my obligation to request a stop to this ACH deposit request if an order to transfer any portion of payments to a financial institution or a branch of a financial institution outside the United States will be implemented in the future. Service Provider reserves the right to reject the ACH request and deliver any payment via check in lieu of direct deposit.
- ☐ **Wire Transfer**
    - Estimated delivery time is 1-2 business days
    - A non-refundable charge of up to \$40.00 will be deducted, in addition to any withdrawal fees, for each transaction.
    - For example, if I elected to make a full withdrawal with a portion payable to me and the remainder rolled over to an eligible plan, and I have Non-Roth, Roth and after-tax money sources, there will be 5 different transactions and I may be charged up to a total of \$200.00 for the Wire transfer delivery fees.
    - Not available for Periodic Installment/Annuity Payments
    - **MUST** include a letter on financial institution letterhead, signed by a representative from the receiving institution, which provides the wire transfer instructions. The letter must include the following wire transfer information: Bank Name, complete Bank Mailing Address, including City, State and Zip Code, Account Name, Account Number, ABA Routing Number and 'For Further Credit to' Name and Account Number.
    - Additional fees may apply at the receiving financial institution.
    - Service Provider is not responsible for inaccurate wire transfer instructions.

**F How will my income taxes be withheld?**

Not applicable if requesting a Rollover, unless I need to satisfy my required minimum distribution.

(Continue to the next section after completing.)

I should refer to the Department of Revenue for my state of residence.

If applicable, I must attach IRS Form W-4P and/or my State Income Tax withholding form to make tax elections when required. In the event these forms are required for my withdrawal and not submitted, Service Provider will withhold in accordance with applicable Federal and State regulations.

Last Name

First Name

M.I.

Social Security Number

932777-01

Number

**F How will my income taxes be withheld?**

Not applicable if requesting a Rollover, unless I need to satisfy my required minimum distribution.

(Continue to the next section after completing.)

**Federal Income Tax**

- Federal Income Tax will be withheld based on the reason and type of withdrawal I have selected.

I would like additional Federal Income Tax withholding (Optional):

% or \$

(This is in addition to any mandatory Federal Income Tax withheld based on the reason and type of withdrawal I have selected.)

**Required Minimum Distribution Only (Age 70½ or Older)**

- 10% of my taxable distribution will be withheld for Federal Income Tax, unless I check the box below:

☐ Do not withhold 10% Federal Income Tax from my Required Minimum Distribution.

I would like additional Federal Income Tax withholding (Optional):

% or \$

(This is in addition to any 10% Federal Income Tax withholding.)

**State Income Tax**

- State Income Tax withholding is mandatory in some states and will be withheld regardless of any election below. I would like additional State Income Tax withholding:

% or \$

(This is in addition to any mandatory State Income Tax withheld based on the reason and type of withdrawal.)

- Certain states allow an election for no State Income Tax withholding depending on the reason and type of withdrawal I have selected. For these states only, State Income Tax will be withheld unless I elect otherwise below.

If the checkbox is not marked below, I choose to have State Income Tax withheld from my withdrawal. I would also like to have additional State Income Tax withholding:

% or \$

(This is in addition to any elective State Income Tax withheld based on the reason and type of withdrawal.)

- ☐ Do not withhold State Income Tax (If election is permitted and I have attached the proper election form if required by my state).

- Certain states do not require mandatory State Income Tax withholding but allow to elect State Income Tax withholding depending on the reason and type of withdrawal I have selected.

- ☐ I would like State Income Tax withheld - Optional State Income Tax withholding:

% or \$

(If this optional income tax election is permitted, I also have attached the proper income tax election form if required by my state to elect this optional withholding.)

**G Signatures and Consent**

(After receiving ALL required signatures, continue to the next section.)

**My Consent**

I acknowledge that I have read, understand and agree to all pages of this In-Service Withdrawal Request, the Participant Withdrawal Guide and the 402(f) Notice of Special Tax Rules on Distributions and affirm that all information that I have provided is true and correct. I understand the following:

- Any election on this Withdrawal Form is effective for 180 days.
- It is my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code") and that the Plan into which I am rolling money over will accept the dollars, if applicable.
- I am liable for any income tax and/or penalties assessed by the IRS and/or state tax authorities for any election I have chosen.
- Once a payment has been processed, it cannot be changed or reversed.
- In the event that any section of this form is incomplete or inaccurate, Service Provider may not process the transaction requested on this form and may require a new form or that I provide additional or proper information before the transaction can be processed.
- Funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information.
- Under penalty of perjury, I certify that the Social Security Number (or Taxpayer Identification Number) shown in Section A is correct. I am a U.S. person if I marked U.S. citizen or U.S. resident alien box in Section A.
- The Service Provider is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, Service Provider cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC website at: <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>.
- For at least 30 days after my receipt of the 402(f) Notice of Special Tax Rules on Distributions, I have the right to consider whether to consent to a withdrawal of the vested account balance or elect a direct rollover of any vested portion of the eligible rollover withdrawal. By signing this form less than 30 days after I received the 402(f) Notice of Special Tax Rules on Distributions, I affirmatively waive any unexpired portion of the 30 day period and affirmatively elect a withdrawal from the account pursuant to this In-Service Withdrawal form.
- My withdrawal may be subject to fees and/or loss of interest based upon my investment options, my length of time in the Plan and other possible considerations. If I have not been advised of the fees and risks associated with my withdrawal, I may contact Service Provider for a withdrawal quote at 1-800-338-4015. If my Plan is using a third party administrator ("TPA"), fees associated with the TPA may not be included in the quote. I may contact my Plan's TPA for additional information.

Last Name \_\_\_\_\_

First Name \_\_\_\_\_

M.I. \_\_\_\_\_

Social Security Number \_\_\_\_\_

932777-01  
Number**G Signatures and Consent**

(After receiving ALL required signatures, continue to the next section.)

**My Consent**

Any person who presents a false or fraudulent claim is subject to criminal and civil penalties.

Before signing this form: I ***must*** sign this form in the presence of a Notary Public or my authorized Plan Administrator if my withdrawal request will include a change of address or check delivery to an alternate mailing address. The date that I sign this form must match the date of the Notary Public or Plan Administrator signature.

My Signature \_\_\_\_\_

Date (Required) \_\_\_\_\_

**My Change of Address/Alternate Address Notarization**

May also be witnessed by my authorized Plan Administrator in the below section.

If I am requesting a new permanent address, I must also update my primary address with my employer. A current address is essential for correspondence and tax purposes.

☐ **Permanent Address Change** - I would like the address on my account to be updated with this address. If I am requesting a check, I understand that it will be mailed to this address.

Mailing Address \_\_\_\_\_

City/State/Zip Code \_\_\_\_\_

☐ **Alternate Mailing Address** - I would like my withdrawal check to be sent to the following alternate mailing address. I understand that this address will be used for this withdrawal only.

Alternate Mailing Address \_\_\_\_\_

City/State/Zip Code \_\_\_\_\_

For Residents of all states (except California), please have your notary complete the section below.

Notice to California Notaries using the California Affidavit and Jurat Form the following items must be completed by the notary on the state notary form: the title of the form, the plan name, the plan number, the document date, and the participant's name. The notary forms not containing this information will be rejected and it will delay this request.

The date I sign this form must match the date on which my signature in 'My Consent' section was notarized or witnessed.

**Statement of Notary**

NOTE: Notary seal must be visible.

This request was subscribed and sworn (or affirmed) to before me

State of \_\_\_\_\_ )

on this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_, by \_\_\_\_\_

SEAL

) ss. (name of participant)

County of \_\_\_\_\_ )

proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_\_ /

**My Spouse's Consent**

Not Applicable if I am unmarried

If I am legally married, I must obtain my spouse's consent to request this withdrawal.

**Waiver of Qualified Joint and Survivor Annuity**

I (name of spouse), \_\_\_\_\_, the Participant's spouse, understand that I have a right to have the Plan pay my spouse's retirement benefit in the form of Qualified Joint and Survivor Annuity (QJSA). I acknowledge that I have received and read the QJSA notice describing the QJSA and optional forms of benefit offered in the Plan and I waive my right to the QJSA. I understand that by waiving the right to the QJSA and signing this form, I may receive less money than I would have received under the QJSA payment form and I may receive nothing after my spouse dies, depending on the form of payment my spouse chooses.

I agree that my spouse may receive retirement benefits by the method elected on this form. I understand that my spouse cannot choose a different method of retirement benefit unless I agree to the change (unless it's to increase the survivor benefit of the Joint and Survivor Annuity).

I understand that I do not have to sign this form. I am waiving my right to the QJSA and signing this agreement voluntarily. I acknowledge that as the Participant's spouse, I have the right to limit my consent only to a specific payment election and that I voluntarily relinquish such right. I further understand that if I do not sign this form, then my spouse and I will receive payment from the Plan in the form of the QJSA.



Last Name

First Name

M.I.

Social Security Number

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Number

**G Signatures and Consent**

(After receiving ALL required signatures, continue to the next section.)

**My Spouse's Consent**

Not Applicable if I am unmarried

**Spouse's Signature****Date (Required)**

For Residents of all states (except California), please have your notary complete the section below.

Notice to California Notaries using the California Affidavit and Jurat Form the following items must be completed by the notary on the state notary form: the title of the form, the plan name, the plan number, the document date, the participant's name and participant spouse's name. The notary forms not containing this information will be rejected and it will delay this request.

My signature must be notarized by a Notary Public or witnessed by my spouse's authorized Plan Administrator. The date I sign this form must match the date on which my signature is notarized or witnessed. My consent must be obtained no more than 180 days prior to the effective date of the original request in order to be effective.

**Statement of Notary**

NOTE: Notary seal must be visible.

The consent to this request was subscribed and sworn (or affirmed)

State of \_\_\_\_\_

to before me on this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_, by

SEAL

)ss.

(name of spouse)

County of \_\_\_\_\_

proved to me on the basis of satisfactory evidence to be the person who appeared before me, who affirmed that such consent represents his/her free and voluntary act.

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**My Authorized Plan Administrator Signature**

This request is in compliance with the terms of the Plan and a written explanation of the tax rules and any Internal Revenue Service, Department of Labor or other notice requirements applicable to this request have been provided to the participant as required by law. The appropriate consent and waivers have been obtained by the Plan Administrator and Service Provider is authorized to rely on the information provided on this request. I approve this withdrawal as it is presented on this form.

The recordkeeping system has the accurate vesting percentage unless otherwise indicated below. (Please be advised that balances may not exist in all money sources.)

ERM 1 - EMPLOYER MATCH

\_\_\_\_ %

If the participant request includes either a permanent address change or an alternate mailing address and the participant's signature is not notarized, I certify that this request was signed by the participant in my presence. The date that I sign this form must match the date the participant has signed.

If Spousal Consent notarization is not obtained, I certify that the consent was signed by the spouse of the participant in my presence. The date that I sign this form must match the date the participant's spouse has signed.

I represent that I am an authorized signer on behalf of the above-named Plan and have an authority to instruct Service Provider to process this form.

**Authorized****Plan Administrator Signature****Date (Required)****For My External TPA Use Only**

TPA Fee: \$ \_\_\_\_ If fee is specified, a check will be issued to the TPA contracted on the Administrative Responsibilities agreement for this amount. This fee will be deducted from the requested amount, unless otherwise directed:

☐ Fee is in addition to the requested amount

**External TPA Signature****Date (Required)**

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ M.I. \_\_\_\_\_ Social Security Number \_\_\_\_\_ 932777-01  
Number

H Where should I send this form?

After all signatures have been obtained, this form can be sent by

**Fax to:**  
Empower Retirement  
1-866-633-5212

OR

**Regular Mail to:**  
Empower Retirement  
PO Box 173764  
Denver, CO 80217-3764

OR

**Express Mail to:**  
Empower Retirement  
8515 E. Orchard Road  
Greenwood Village, CO 80111

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## Participant Withdrawal Guide - 401(k) Plan

### The In-Service Withdrawal Request

Before completing the form, please note the following information:

- I must be eligible to receive a withdrawal from my employer's Plan.
- All pages of the In-Service Withdrawal Request form ("Withdrawal Form") must be returned excluding the Participant Withdrawal Guide and the 402(f) Notice of Special Tax Rules on Distributions.
- Neither this Guide nor this Withdrawal Form are intended to provide tax or legal advice. In the preparation of this Withdrawal Form, and where I deem appropriate, I will seek a consultation with my accountant and/or tax advisor.
- Empower Retirement ("Service Provider") cannot release the funds until my employer approves the withdrawal from the Plan.
- I must complete a separate Withdrawal Form for each account or plan number.
- If I am a Beneficiary, I need to complete and submit a Death Benefit Claim Request form rather than this Withdrawal Form.
- If I am an Alternate Payee, I need to complete and submit an Alternate Payee QDRO Distribution Request rather than this Withdrawal Form.

#### Changes to My Request

- Any changes to this Withdrawal Form must be crossed-out and initialed. If I do not initial all changes, this Withdrawal Form may be returned to me for verification.

#### Incomplete or Inaccurate Information

- In the event that any section of this Withdrawal Form is incomplete or inaccurate, Service Provider may not be able to process the transaction requested on this Withdrawal Form. I may be required to complete a new form or provide additional or proper information before the transaction will be processed.

### Section A: What is my personal information?

- All information in this section must be completed.
- Personal information will be kept confidential.

### Section B: What is my reason for this withdrawal?

- I must designate only one withdrawal reason in order for my request to be processed. If more than one withdrawal reason is elected, this Withdrawal Form may be returned to me for further clarification.
- Once Service Provider has processed a withdrawal, it cannot be returned.
- The following is a brief explanation of each of the withdrawal reasons and associated requirements listed on this Withdrawal Form.

#### I am Age 59½ or older

- I would check this box if I am at least age 59½ or older and the Plan allows for such withdrawals.

##### Available contribution source(s) for this withdrawal reason:

- ATK 1 EMPLOYEE AFTER TAX
- ATR 1 AFTER-TAX ROLLOVER
- BTK 1 EMPLOYEE BEFORE TAX
- EER 1 EMPLOYEE ROLLOVER
- ERM 1 EMPLOYER MATCH
- ERO 1 EMPLOYER PROFIT SHARING
- RRO 1 ROTH ROLLOVER
- RTH 1 ROTH CONTRIBUTION

#### I am employed with the employer/company sponsoring this Plan.

- If I have attained age 59½, do not check this box. Check the Age 59½ box instead.
- I would check this box while I am employed with the employer/company sponsoring this Plan and I am requesting a withdrawal other than an Age 59½ withdrawal.

##### Available contribution source(s) for this withdrawal reason:

- ATK 1 EMPLOYEE AFTER TAX
- EER 1 EMPLOYEE ROLLOVER
- EER 2 EMPLOYEE ROLLOVER
- RRO 1 ROTH ROLLOVER

#### After-Tax Contributions and Earnings

- I would check this box to request a withdrawal of my after-tax account balance, including contributions and earnings.

#### Required Minimum Distribution (Age 70½)

- I would check this box if I am age 70½ or older and I want to take a one-time withdrawal of my required minimum amount. I will be responsible for calculating my required minimum amount every year and completing this Withdrawal Form to request payment.
- If I would prefer to have my required minimum amount automatically calculated and sent to me each year, I must request an Automated Minimum Distribution Request form. Once the Automated Minimum Distribution Request form is completed and received by Service Provider, I will receive my required amount without additional paperwork.

### Section C: What type of withdrawal and how much am I requesting?

- I must designate a type of withdrawal in order for my request to be processed.
- Once Service Provider has processed a withdrawal, it cannot be returned.
- Certain fees, charges (including contingent deferred sales charge) and/or limitations may apply.
- Unless the plan has directed otherwise, the withdrawal will be prorated against all available investment options under Non-Roth and/or Roth as elected on the form, and all available contribution sources.
- The following is a brief explanation of each type of withdrawal listed on this Withdrawal Form.

I must indicate whether I would like the funds associated with Great-West SecureFoundation® Guaranteed Lifetime Withdrawal Benefit ("GLWB") to be included or excluded with this withdrawal request. By electing to include these funds with all other assets withdrawn on this request, I may reduce my Benefit Base and may eliminate the associated guaranteed income benefit.

The funds associated with GLWB are:

For additional options to withdraw the funds associated with GLWB, I should refer to and complete the GLWB Distribution/Direct Rollover Request form for instructions specific to these funds.

For more information regarding GLWB, I should visit [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) to view the Summary Disclosure Statement or speak to a representative at 1-866-698-8232.

**My Self-Directed Brokerage Account**

- If I would like to receive a withdrawal from my SDB assets, it is my responsibility to contact the SDB provider directly to liquidate the securities and transfer the cash to the core investments (non-SDB investments) before my withdrawal request can be processed.
- Once the cash is swept into the SDB money market fund, I must request a transfer of the cash back to my Plan's core investment options by visiting [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) or by calling 1-800-338-4015.
- If my Plan has a "core minimum" (the amount of investment funds, required by my Plan, that must be maintained in my core investment options at all times), and the transfer of funds has not been received by Service Provider prior to receipt of this Withdrawal Form, my request will be processed from the amount that is available in the core investment options in excess of the core minimum.
- For any further withdrawals, I must transfer the appropriate funds into my core investment options and submit an additional Withdrawal Form.

**Payable to Me as a One-time Withdrawal**

- I would check this box to have my withdrawal made payable to me and enter the requested amount.
- If I select the Net Amount box, the actual withdrawal amount will be greater than the withdrawal amount received to account for applicable income taxes and fees.
- If I select the Gross Amount box, applicable income taxes and fees will be withheld from the gross amount, resulting in an amount less than the requested amount. If both or neither check box is marked, the request will be processed as a Gross Amount.
- If I am electing a partial withdrawal, I must indicate the percent or amount in the lines provided.
- If I am electing this option for my Required Minimum Distribution, I must enter a dollar amount. Percentages are unavailable.
- If I am taking a withdrawal from a specific contribution source, I would enter it on the line provided. If I do not enter a contribution source, my withdrawal will be prorated against all of my available investment options under Non-Roth and/or Roth as elected on the form, and all available contribution sources.

**Rollover to an Empower Retirement IRA as a One-time Withdrawal**

- I would check this box to have my withdrawal sent to an Empower Retirement IRA and elect whether the withdrawal will be going into a Traditional IRA or a Roth IRA.
- I must indicate the amount or percent of a partial withdrawal in the lines provided.
- The withdrawal will be prorated against all of my available investment options under Non-Roth and/or Roth as elected on the form, and all available contribution sources.
- An eligible rollover withdrawal of my Non-Roth assets may be paid directly to an Empower Retirement Roth IRA. Mandatory Federal and State Income Tax withholding does not apply to this type of rollover. However, this withdrawal is subject to Federal and State Income Tax withholding and I am responsible for making tax payments. The taxable withdrawal will be reported on IRS Form 1099-R. Making an estimated tax payment to the IRS and an appropriate state authority at the time of this rollover may be one of the options to cover this tax liability. Where I deem appropriate, I will seek a consultation with my tax advisor.
- I may request my designated Roth assets to be rolled over into an Empower Retirement Roth IRA.
- The rollover may not be completed if the acceptance letter and the form provide conflicting information. I may be contacted to provide additional information.
- I must complete the Required Minimum Distribution information if I am age 70½ or older and I am requesting a 100% withdrawal as a direct rollover unless I have already satisfied my required minimum distribution for the year.
- Required Minimum Distributions are not eligible for rollover.
- After-tax contributions in a 401(a) or 401(k) Plan may be rolled into another 401(a), 401(k) or 403(b) Plan which agreed to separately account for amounts transferred, or Traditional IRA or Roth IRA. After-tax contributions in a 401(a) or 401(k) Plan, however, may not be rolled over to a Governmental 457(b) Plan. If I have after-tax contributions in my account and I elect a direct rollover to a Governmental 457(b) Plan, the cost basis of the after-tax contributions will be distributed to me and the investment earnings on the after-tax contributions will be included in the rollover amount.

**Rollover to an IRA at Another Retirement Provider or an Eligible Retirement Plan as a One-time Withdrawal**

- It is my responsibility to determine if the IRA or an eligible retirement plan accepts eligible rollover withdrawals.
- I would check this box to have my withdrawal sent to an IRA or an eligible retirement plan at Another Retirement Provider and enter the requested amount.
- The withdrawal will be prorated against all of my available investment options under Non-Roth and/or Roth as elected on the form, and all available contribution sources as allowed by IRS regulations.
- An eligible rollover withdrawal of my Non-Roth assets may be paid directly to a Roth IRA. Mandatory Federal and State Income Tax withholding does not apply to this type of rollover. However, this withdrawal is subject to Federal and State Income Tax withholding and I am responsible for making tax payments. The taxable withdrawal will be reported on IRS Form 1099-R. Making an estimated tax payment to the IRS and an appropriate state authority at the time of this rollover may be one of the options to cover this tax liability. Where I deem appropriate, I will seek a consultation with my tax advisor.
- I may request my designated Roth assets to be rolled over into a Roth IRA.
- The rollover may not be completed if the acceptance letter and the form provide conflicting information. I may be contacted to provide additional information.
- I must complete the Required Minimum Distribution information if I am age 70½ or older and I am requesting a 100% withdrawal as a direct rollover unless I have already satisfied my required minimum distribution for the year.
- Required Minimum Distributions are not eligible for rollover.
- After-tax contributions in a 401(a) or 401(k) Plan may be rolled into another 401(a), 401(k) or 403(b) Plan which agreed to separately account for amounts transferred, or Traditional IRA or Roth IRA. After-tax contributions in a 401(a) or 401(k) Plan, however, may not be rolled over to a Governmental 457(b) Plan. If I have after-tax contributions in my account and I elect a direct rollover to a Governmental 457(b) Plan, the cost basis of the after-tax contributions will be distributed to me and the investment earnings on the after-tax contributions will be included in the rollover amount.

**Periodic Installment Payments (This option is only available if I am 100% vested.)**

- If I am requesting to establish a new periodic installment payment, I would check the box before "I am requesting to establish a new Periodic Installment Payment." I would then fill in the First Payment Processing Date, Frequency and Payment Type. See Periodic Installment Payment Options below for explanation of the options available.
- If I have an existing periodic installment payment and I would like to change the frequency or payment date, I would check the box before "I am making a change to an existing Periodic Installment Payment." I would then fill in the information that I want changed.

- If my request is to establish a new periodic installment payment but I would also like to take a one-time partial withdrawal, I would check the box before "I am also requesting a one-time withdrawal..." and enter the dollar amount or percentage on the line provided. I would then fill in the First Payment Processing Date, Frequency and Payment Type. See Periodic Installment Payment Options below for explanation of the options available.
- Unless I make a selection on the form for my Non-Roth and Roth contribution sources, the payment will be calculated and prorated from all contribution sources.

#### Periodic Installment Payment Options

##### First Payment Processing Date

- I must select a First Payment Processing Date. The First Payment Processing Date is the date the funds will be withdrawn from my account.
- I may choose any day between the 1st and the 28th for my First Payment Processing Date. If my chosen date falls on a non-business day (weekend, holiday, etc.) then my payment will distribute on the next available business day.
- Allow 5-10 business days from the First Payment Processing Date to receive the withdrawal.

##### Frequency

- I must select the frequency of my payment from the available options.

##### Payment Type

###### Amount Certain (Gross Amount Only)

- I would select this option if I wish to receive specific dollar amount payments on an installment basis.
- The payments will continue until my account balance is zero.
- The number of payments I receive will vary depending on the performance of my underlying investment options.

###### Period Certain (Specific Number of Years)

- I would select this option if I wish to receive a set number of periodic installment payments.
- Payment amounts will depend on the account value, which may fluctuate depending upon my chosen investments' performance, the number of years I elect to receive payments and the frequency chosen.
- The payment amount will be calculated by dividing my current vested account balance by the number of remaining payments and is recalculated each time a payment is distributed; therefore, the amount of each payment typically differs. For example, if the payout is to be annually for 4 years, the initial payout amount will be equal to 1/4 of my account balance. The second payment will be 1/3 of my balance. The third payment will be 1/2 and the final payment will be the remainder of the account balance, resulting in a zero account balance.

##### Interest Only Payments

- This option is only available to me if I have at least one fixed investment option.
- My payment will vary depending on the type and performance of the fixed investment options.
- My payment will continue until I reach age 70½, at which point my periodic installment payment option will be automatically converted to my required minimum distribution and withdrawals will be made at the same frequency as my interest only payments.

#### Fixed Annuity Purchase

- An annuity is a payment option that can guarantee a retirement income for a fixed period or life.
- I will receive payments on the systematic basis that I have elected.
- Payments made under a fixed annuity option will not change for as long as the annuity period continues.
- To request an annuity quote, review the annuity options that follow and call the Service Provider at 1-800-338-4015.
- The insurance company issuing the annuity will make annuity payments and will deduct the applicable income tax withholding.
- Once an annuity option is selected, I may not select a different withdrawal method or change to another fixed annuity option.
- To select this method, the minimum annuity purchase amount is \$2,000.00 and each payment must be at least \$50.00.
- I am responsible for ensuring that the fixed annuity option as elected meets the required minimum distribution, if applicable.

#### Fixed Annuity Purchase Options

##### Purchase Date

- The purchase date is the date the funds are withdrawn from my existing account and placed into a fixed annuity.
- The purchase date may vary depending on the underlying investment options.
- If the purchase date is not a business day, the purchase date will default to the next business day.
- The selected purchase date must be prior to the payment start date.
- The interest rate applied will be the annuity rate in effect on the actual purchase date.
- If a purchase date is not entered, the purchase date will automatically be the date a properly completed Withdrawal Form is received by Service Provider.
- The purchase date cannot be more than 180 days from the date I complete this Withdrawal Form.

##### First Payment Processing Date

- The First Payment Processing Date is the date the funds will be distributed from my account.
- The first withdrawal may be delayed 5-10 business days as my annuity account is established.
- The First Payment Processing Date cannot be more than 90 days after the purchase date.
- I am responsible for ensuring that the fixed annuity option as elected meets the required minimum distribution, if applicable.

##### Payment Type

###### Income of an Amount Certain (Gross Amount Only)

- This option provides for annuity payments in the amount and frequency I specify.
- The insurance company issuing the annuity will determine the number of payments and the payment may not be received over a period greater than 20 years.
- If I die before my entire annuitized balance is distributed, my beneficiary will receive all remaining annuity payments, if any.

###### Income for a Period Certain (Number of Years)

- This option provides for annuity payments over the period and frequency I specify.
- The insurance company issuing the annuity will determine the amount of the payments.
- If I die before my entire annuitized balance is distributed, my beneficiary will receive all remaining annuity payments, if any.

##### Fixed Life Annuity with Guaranteed Period

- This option provides for monthly annuity payments for the guaranteed payment period I have chosen (5, 10, 15, or 20 years) or for my lifetime, whichever is longer.
- If I die before the expiration of my elected guaranteed period, my beneficiary will receive all remaining payments, if any.
- I must attach a copy of my birth certificate or driver's license.

**Fixed Life Annuity - Life Only, No Death Benefit**

- This option provides for monthly annuity payments for my lifetime.
- All benefits stop upon my death.
- I must attach a copy of my birth certificate or driver's license.

**Joint Life**

- This option provides for monthly annuity payments for my lifetime.
- Upon my death, my surviving joint annuitant will receive a pre-elected percentage (50, 75, or 100) of the original payment amount for his or her lifetime.
- For example, if I elect a joint and 50% annuity, my surviving annuitant will continue to receive fixed monthly payments equaling one half of the amount received while we were both living.
- I must attach a copy of both annuitants' birth certificates or drivers' licenses.

**Joint Life Annuity with Guaranteed Period**

- This option provides for periodic annuity payments for the longer of the guaranteed period of mine or my joint annuitant's lifetime.
- If my death occurs prior to the expiration of the guaranteed period, my surviving joint annuitant will receive 100% of the original payment amount for the remainder of the guaranteed period. Upon expiration of the guaranteed period, my surviving joint annuitant will receive a percentage (that I elect on this form) of the original payment amount for his or her lifetime.
- For example, if I elect a joint and 50% survivor annuity with 10 years guaranteed, and my death occurs within 10 years of the first payment date, my surviving annuitant will receive 100% of the fixed payments for the remainder of 10 years, the original guaranteed period, then will receive payments equaling one half of the amount received while we were both living for the remainder of the surviving annuitant's life.
- If my death occurs after the guaranteed period, my surviving joint annuitant will receive a percentage of the original payment amount for his or her lifetime.
- For example, if I elect a joint and 50% survivor annuity with 10 years guaranteed, and my death occurs after 10 years from the first payment date, my surviving joint annuitant will receive payments equaling one half of the amount received while we were both living for the remainder of the surviving annuitant's life.
- If my joint annuitant dies before me, I will continue to receive 100% of the fixed payments for the remainder of my life. All payments will discontinue upon my death.
- I must attach a copy of both annuitants' birth certificates or drivers' licenses.

**Section D: To whom do I want my withdrawal payable and where should it be sent?**

- It is my responsibility to make sure that the Trustee/Custodian/Provider information provided is accurate.
- Service Provider is not responsible for misdirected payments due to incorrect information or address.
- If I elected to have my withdrawal sent to another retirement provider, I must provide the requested information for the receiving Trustee/Custodian/Provider for my Non-Roth and Roth contribution sources.
- If I have after-tax assets and would like to direct my after-tax contributions to a Rollover payee other than the one listed in this section, I must attach a letter of instruction listing the same information that is required in this section and must include the type of payee, my name, social security number, signature and date.
- If I would like to direct Roth earnings to a Rollover payee other than the one listed in this section, I must attach a letter of instruction listing the same information that is required in this section and must include the type of payee, my name, social security number, signature and date.

**Section E: How do I want my withdrawal delivered?**

- Certain delivery options are not available on all types of withdrawals.
- Delivery of payment is based on completion of the withdrawal process, which includes receipt of a complete request in good order and additional/required information from my employer.
- I must select a delivery option from the choices provided. If I do not make any selection, all transactions will be sent by regular mail.
- Below is a description of each delivery option.

**Check by USPS Regular Mail**

- Estimated delivery time is 7-10 business days
- No additional charge
- If the check is payable to me, it will be sent to the address on file unless an address change or alternate address is indicated in the 'Signatures and Consent' section of the form and is properly notarized or witnessed.
- If the check is payable to another retirement provider, it will be sent to the address indicated in Section D.

**Check by Express Delivery**

- Estimated delivery time is 1-2 business days
- A non-refundable charge of up to \$25.00 will be deducted, in addition to any withdrawal fees, for each transaction.
  - For example, if I elected to make a full withdrawal with a portion payable to me and the remainder rolled over to an eligible plan, and I have Non-Roth, Roth and after-tax money sources, there will be 5 different transactions and I may be charged up to a total of \$125.00 for the Express delivery fees.
- Not available for Periodic Installment/Annuity Payments
- Available for delivery, Monday-Friday, with no signature required upon delivery
- If the check is payable to me, it will be sent to the address on file unless an address change or alternate address is indicated in the 'Signatures and Consent' section and is properly notarized or witnessed.
- If the check is payable to another retirement provider, it will be sent to the address indicated in Section D.
- If the address is a P.O. Box, the check will be sent by USPS Express and estimated delivery time is 2-3 business days.
- Delivery is not guaranteed to all areas

**Direct Deposit via Automated Clearing House ("ACH")**

- I would elect this option if I want my payment to be electronically deposited into my personal checking or savings account.
- Estimated delivery time is 2-3 business days
- A non-refundable charge of up to \$15.00 will be deducted, in addition to any withdrawal fees, for each transaction.
  - For example, if I elected to make a full withdrawal payable to me, and I have both Non-Roth and Roth money sources, there will be 2 different transactions and I may be charged up to a total of \$30.00 for the ACH delivery fees.
- Not available for Direct Rollovers



- Available for Periodic Installment/Annuity Payments at no charge
- If I have requested a periodic installment payment and my first payment processing date does not allow for the 10 day pre-notification process, I understand that my first payment will be sent by check to my address on file.
- The name on my checking/savings account **MUST** match the name on file with Service Provider.
- For deposit into my checking account, I **MUST** attach a copy of a preprinted voided check for the receiving account. I may also attach a letter on financial institution letterhead, signed by a representative from the receiving institution, which indicates my name, checking account number and the ABA routing number.
- For deposit into my savings account, I **MUST** attach a letter on financial institution letterhead, signed by a representative from the receiving institution, which indicates my name, savings account number and the ABA routing number.
- An ACH request can not be sent to a prepaid debit card, an IRA, or a business account.
- Any missing, incomplete, or inaccurate information will delay my withdrawal request.
- ACH credit can only be made into a United States financial institution.
- Any requests received referencing a foreign financial institution or referencing a United States financial institution with a further credit to an account associated with a foreign financial institution will be rejected.

#### General ACH Information

- I authorize Service Provider to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error.
- In addition, I authorize my financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account.
- Service Provider will make payment in accordance with the direction I have specified on this Withdrawal Form until such time that I notify Service Provider in writing that I wish to cancel the ACH agreement.
- I must provide notice of cancellation at least 30 days prior to a payment date for the cancellation to be effective with respect to all of my subsequent payments.
- Service Provider reserves the right to terminate the ACH transfers for any reason and will notify me in the event of such termination by sending notice to my last known address on file with Service Provider.
- It is my obligation to notify Service Provider of any address or other changes affecting electronic fund transfers during my lifetime.
- I am solely responsible for any consequences and/or liabilities that may arise out of my failure to provide such notification.
- By selecting the ACH method of delivery, I acknowledge that Service Provider is not liable for payments made by Service Provider in accordance with a properly completed Withdrawal Form.
- I am authorizing and directing my financial institution not to hold any overpayments made by Service Provider on my behalf, or on behalf of my estate or any current or future joint account holder, if applicable.
- ACH delivery is not available to a foreign financial institution or to a United States financial institution for subsequent transfer to a foreign financial institution.
- Any requests received containing foreign financial institution instructions will be rejected and require new ACH or check delivery instructions.

#### ACH for Periodic Installment Payments Only

- ACH is a form of electronic funds transfer by which Service Provider can transfer my payments directly to my financial institution.
- I should allow at least 15 days from the date Service Provider receives my properly completed Withdrawal Form to begin using ACH for my payments.
- Upon receipt of a properly completed Withdrawal Form, Service Provider will notify my financial institution of my ACH request. This is called the pre-notification process.
- The pre-notification process takes approximately 10 days.
- During the pre-notification process, my financial institution will confirm with Service Provider that the account and routing information I submitted is correct and that it will accept the ACH transfer.
- After this confirmation is received, my payments will be transferred to my financial institution within 2 days of the first payment date.
- If my payments are withdrawn from investments that are subject to time delays upon withdrawal, the deposit to my financial institution may be delayed accordingly.
- In the event of a change to my periodic installment payment, my electronic funds transfer may be subject to delay and a check will be sent to my last known address on file with Service Provider.
- If my financial institution rejects the pre-notification, I will be notified and payments will be mailed to me via check until I submit new ACH instructions.
- As a result, it is important to notify Service Provider in writing of any changes to my mailing address.
- I may submit my new ACH instructions on the Direct Deposit (ACH) form which is available at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) or by calling 1-800-338-4015.

#### Wire Transfer

- Estimated delivery time is 1-2 business days
- A non-refundable charge of up to \$40.00 will be deducted, in addition to any withdrawal fees, for each transaction.
- For example, if I elected to make a full withdrawal with a portion payable to me and the remainder rolled over to an eligible plan, and I have Non-Roth, Roth and after-tax money sources, there will be 5 different transactions and I may be charged up to a total of \$200.00 for the Wire transfer delivery fees.
- Not available for Periodic Installment/Annuity Payments
- Additional fees may apply at the receiving financial institution.
- I **MUST** verify the wire transfer information provided with the financial institution receiving these funds. Service Provider is not responsible for inaccurate wire transfer instructions.
- I also **MUST** attach a letter on financial institution letterhead signed by a representative of the receiving institution. The letter must include the following wire transfer information: Bank Name, complete Bank Mailing Address, including City, State and Zip Code, Account Name, Account Number, ABA Routing Number and "For Further Credit to" Name and Account Number.

#### Section F: How will my income taxes be withheld?

- Withdrawal withholding will vary depending on the type of withdrawal I am requesting.
- I have received and must read the attached 402(f) Notice of Special Tax Rules on Distributions, which provides additional income tax withholding information.
- If I do not have sufficient Federal or State Income Tax withheld from my withdrawal, I will be responsible for payment of estimated tax and/or may incur penalties under estimated tax rules.
- If applicable, I have attached IRS Form W-4P and/or my State's Income Tax withholding form to make tax elections when required. In the event these forms are required for my withdrawal and not submitted, Service Provider will withhold in accordance with applicable Federal and State regulations.
- If I need and as I see applicable, I will consult with my tax advisor to determine my appropriate tax withholding.

**Federal Income Tax Withholding**

- Generally, twenty percent (20%) mandatory Federal Income Tax withholding will apply to the taxable amount of all withdrawals paid directly to me unless an exception applies.

**Early Withdrawal Penalty**

- I may be subject to an additional ten percent (10%) tax penalty for withdrawals if I am under the age of 59½, unless another exception to the early withdrawal penalty applies.

**Required Minimum Distributions (Age 70½ or older)**

- A ten percent (10%) Federal Income Tax withholding will apply to the taxable amount of my withdrawal, unless I elect to not have Federal Income Tax withheld.
- If I wish to have additional Federal Income Taxes withheld, I may elect so by entering a percentage or dollar amount on the line provided.

**Direct Rollovers**

- Direct rollovers are not subject to Federal Income Tax withholding.
- A rollover of Non-Roth assets to a Roth IRA are subject to Federal Income Tax and will be reported as taxable income to me.
- I am responsible for paying any income tax due on this withdrawal.

**Periodic Installment Payments**

- Twenty percent (20%) mandatory Federal Income Tax withholding will apply to the taxable amount of all amount certain or period certain periodic installment payments scheduled to continue for less than ten (10) years.
- If my periodic installment payments are payable over my life expectancy or are scheduled to continue for a period certain of more than ten (10) years, it is suggested that I complete and attach an IRS Form W-4P to this Withdrawal Form.
- If an IRS Form W-4P is not attached, Federal Income Tax withholding will be made as though I am married with three (3) allowances, regardless of my marital status indicated in Section A.
- I may obtain an IRS Form W-4P at <http://www.irs.gov>.

**Fixed Annuities**

- I need to complete and attach an IRS Form W-4P to this Withdrawal Form.
- If an IRS Form W-4P is not attached, Federal Income Tax withholding will be made as though I am married with three (3) allowances, regardless of my marital status indicated in Section A.
- I may obtain an IRS Form W-4P at <http://www.irs.gov>.
- I also need to complete and attach my State's Income Tax withholding form if required by my state.

**Income Tax Withholding Applicable to Payments Delivered Outside the U.S.**

- If I am a U.S. citizen or U.S. resident alien and my payment is to be delivered outside the U.S. or its possessions, I may not elect out of Federal Income Tax withholding.

**Income Tax Withholding for a Non-U.S. Person**

- If I am a non-resident alien, I must attach IRS Form W-8BEN with an original signature and this must be sent by mail or express delivery. Service Provider cannot accept a fax of this form.
- The withholding rate applicable to my payment is thirty percent (30%) unless a reduced rate applies because my country of residence has entered into a tax treaty with the U.S. and the treaty provides for a reduced withholding rate or an exemption from withholding. In order to claim a treaty rate, I must complete the appropriate fields and provide a U.S. Taxpayer Identification Number on Form W-8BEN. I may call 1-800-TAX-FORM (829-3676) to obtain IRS Form W-8BEN. If I need and as I see applicable, I will consult with my tax advisor to determine my appropriate tax withholding.

**State Income Tax Withholding**

- If applicable, I will attach my State's Income Tax withholding form to make tax elections when required. In the event these forms are required for my withdrawal and not submitted, Service Provider will withhold in accordance with applicable state regulations.
- If I live in the state that mandates State Income Tax withholding, State Income Tax will be withheld. If I wish to have additional State Income Tax withheld, I may elect so by entering a percentage or dollar amount on the line provided.
- Certain states allow an election for no State Income Tax withholding depending on the reason and type of withdrawal I have selected. For these states only, State Income Tax will be withheld unless I properly elect otherwise on the form.
- Certain states do not require mandatory withholding but allow to elect State Income Tax withholding depending on the reason and type of withdrawal I have selected. If I elect this, State Income Tax will be withheld based on a default rate/rules provided by the state of my residence. I may elect to have an additional State Income Tax withheld by entering a percentage or a dollar amount on the line provided.
- For more information and applicable forms or documentation that may be required for my state, refer to the appropriate state tax authority.

**Section G: Signatures and Consent****My Consent**

- My signature and the date of my signature are required.
- I attest to receiving, reading, understanding and agreeing to all provisions of this Withdrawal Form Request, the Participant Withdrawal Guide and the 402(f) Notice of Special Tax Rules on Distributions.

**My Change of Address/Alternate Address Notarization****Permanent Address Change**

- I would check this box if I would like for Service Provider to update the address on file to this new permanent address. If I am requesting a check, I understand that it will be mailed to this address.
- I must notify my employer of my address change.
- Any changes to my address must be notarized or witnessed by my authorized Plan Administrator.

**Alternate Mailing Address**

- I would check this box if I would like Service Provider to mail my withdrawal check to the alternate address provided. This will not update my permanent address. This alternate address will be used for this withdrawal only.
- Any request for an alternate mailing address must be notarized or witnessed by my authorized Plan Administrator.

**My Spouse's Consent (if applicable)**

- If my marital status in Section A is married and my Plan is subject to the spousal consent requirements of ERISA or otherwise requires spousal consent, I must have my spouse sign in this section of this Withdrawal Form, and my spouse's signature must be notarized in this section or witnessed by my authorized Plan Administrator in the next section.
- My spouse's consent must be obtained no more than 180 days prior to my withdrawal date.

**My Authorized Plan Administrator Signature**

- My authorized Plan Administrator signature and completed vesting information are required in order for this Withdrawal Form to be processed.

**For My External TPA Use Only**

- My Plan may utilize an External TPA for other Plan services.
- Signatures are required where applicable.

**Section H: Where should I send this form?**

- Once I have completed this Withdrawal Form, including obtaining all signatures, I must forward it according to the instructions listed in this section.
- If I have elected to fax this Withdrawal Form to Service Provider, I need to allow 2-4 hours for fax receipt before I check on the fax status.

**Required Information**

**Important Note**

- Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state, and local tax laws may be revised, and new Plan provisions may be adopted by the Plan. For the most up to date version of this Guide, please visit the website at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) or call Client Service at 1-800-338-4015.
- Access to KeyTalk® or the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.
- For more information about available investment options, including fees and expenses, I may obtain applicable prospectuses and/or disclosure documents from my registered representative. Read them carefully before investing.



## **402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS**

For Payments Not From a Designated Roth Account

### **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the XYZ Company 401(k) Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

### **GENERAL INFORMATION ABOUT ROLLOVERS**

#### **How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

#### **Where may I roll over the payment?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

#### **How do I do a rollover?**

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

#### **How much may I roll over?**

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

#### **If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?**

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

#### **If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

#### **Will I owe State income taxes?**

This notice does not describe any State or local income tax rules (including withholding rules).

### **SPECIAL RULES AND OPTIONS**

#### **If your payment includes after-tax contributions**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-

tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

**If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

**If your payment includes employer stock that you do not roll over**

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

**If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

**If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

**If your payment is from a governmental section 457(b) plan**

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

**If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance**

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

**If you roll over your payment to a Roth IRA**

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

**If you do a rollover to a designated Roth account in the Plan**

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

**If you are not a plan participant**

**Payments after death of the participant.** If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

**If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA. An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your

IRA do not have to start until after you are age 70½. If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

**Payments under a qualified domestic relations order.** If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

**If you are a nonresident alien**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

**Other special rules**

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments). If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover. Unless you elect otherwise, a mandatory cash-out of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

**Postponement of Distribution Notice**

Generally, if your vested benefit exceeds \$5,000.00, you have the right to defer distribution of your vested account balance from the Plan. If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of the distribution if you do not rollover your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly or you may receive your distribution and roll it over within 60 days to avoid current

taxation and to continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses, and currently available Plan investment options, including investment related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Plan's Summary Plan Description, including the sections on timing of distributions and available distributions.

**FOR MORE INFORMATION**

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 680-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

**402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS**

For Payments From a Designated Roth Account

**YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the XYZ Company 401(k) Plan (the "Plan") is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a designated Roth account are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

**GENERAL INFORMATION ABOUT ROLLOVERS**

**How can a rollover affect my taxes?**

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first



contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

#### Where may I roll over the payment?

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan or section 403(b) plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

#### How do I do a rollover?

There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

#### How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution

- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if S corporation stock is held by an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

#### If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

#### If I do a rollover to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- There is no special exception for payments after separation from service.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

#### Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

#### SPECIAL RULES AND OPTIONS

##### If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 580-A, *Individual Retirement Arrangements (IRAs)*.

**If your payment includes employer stock that you do not roll over**  
If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

**If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and, if the distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan.

**If you receive a nonqualified distribution and you were born on or before January 1, 1936**

If you were born on or before January 1, 1936, and receive a lump sum distribution that is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

**If you receive a nonqualified distribution, are an eligible retired public safety officer, and your pension payment is used to pay for health coverage or qualified long-term care insurance**

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income nonqualified distributions paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

**If you are not a plan participant**

**Payments after death of the participant.** If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

**If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum

distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½.

**If you are a surviving beneficiary other than a spouse.** If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

**Payments under a qualified domestic relations order.** If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment as described in this notice).

**If you are a nonresident alien**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

**Other special rules**

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (only including payments from the designated Roth account in the Plan) are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cash-out from the designated Roth account in the Plan of more than \$1,000 will be directly rolled over to a Roth IRA chosen by the Plan administrator or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

**Postponement of Distribution Notice**

Generally, if your vested benefit exceeds \$5,000.00, you have the right to defer distribution of your vested account balance from the Plan. If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of the distribution if you do not rollover your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly or you may receive your distribution and roll it over within 60 days to avoid current taxation and to continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You

should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses, and currently available Plan investment options, including investment related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Plan's Summary Plan Description, including the sections on timing of distributions and available distributions.

#### **FOR MORE INFORMATION**

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 576, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

# Personal Information Change Request 401(k) Plan

Use black or blue ink when completing this form. Only participants who have terminated employment with this employer may use this form. If I am still employed, I need to contact my Employer to make changes to my account. For questions regarding this form, visit the Web site at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) or contact Service Provider at 1-800-338-4015.

XYZ Company 401(k) Plan

932777-01

<b>A Participant Information</b> (Provide Name, Social Security Number and Date of Birth as it currently appears on the account)	
<p><i>Account extension identifies funds transferred to a beneficiary due to death, alternate payee due to divorce or a participant with multiple accounts.</i></p> <p>Account Extension <input type="text"/> Social Security Number (Must provide all 9 digits) <input type="text"/>-<input type="text"/>-<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></p> <p>Last Name <input type="text"/> First Name <input type="text"/> M.I. <input type="text"/> Date of Birth <input type="text"/>/ <input type="text"/>/ <input type="text"/></p> <p>I have a retirement savings account with a previous employer or an IRA. <input type="checkbox"/> Yes or <input type="checkbox"/> No</p> <p>I would like help consolidating my other retirement accounts into my account with Empower Retirement.* <input type="checkbox"/> Yes, I would like a representative to call me at phone # <input type="text"/> to review my options and assist me with the process. The best time to call is <input type="text"/> to <input type="text"/> A.M./P.M. (circle one - available 8:00 A.M. to 8:00 P.M. MST). *Rollovers are subject to my Plan's provisions.</p>	
<b>B Name Change</b> (Attach a copy of birth certificate, divorce decree, marriage certificate, military ID, passport or court order)	
<p>Last Name <input type="text"/> First Name <input type="text"/> M.I. <input type="text"/></p> <p><b>Address and/or Contact Information Change</b></p> <p>Street Address <input type="text"/> City/State/Zip Code <input type="text"/></p> <p>( ) ( )</p> <p>Daytime Phone Number <input type="text"/> Alternate Phone Number <input type="text"/> Email Address <input type="text"/></p> <p><b>Personal Information Change</b></p> <p>Date of Birth <input type="text"/>/ <input type="text"/>/ <input type="text"/> (Attach a copy of Birth Certificate)</p> <p>Change of Status: <input type="checkbox"/> Married <input type="checkbox"/> Unmarried <input type="checkbox"/> Female <input type="checkbox"/> Male</p> <p><b>Social Security Number Change</b> (If I am still employed, I must obtain approval from my Employer)</p> <p>Social Security Number <input type="text"/> (Attach a signed copy of Social Security Card)</p> <p>Investment balances and future allocation elections will not change as a result of this correction.</p>	
<b>C Signatures and Consent</b>	
<b>Participant Consent</b>	
<p>I affirm that the information I have provided on this form is true and correct.</p> <p>Any person who presents a false or fraudulent claim is subject to criminal and civil penalties.</p> <p>Participant Signature <input type="text"/> Date (Required) <input type="text"/></p> <p>Authorized Plan Administrator Signature (Required for Social Security Number changes only) <input type="text"/></p> <p>I certify and accept that the information provided by the participant on this form is correct.</p> <p>Authorized Plan Administrator Signature <input type="text"/> Date (Required) <input type="text"/></p>	



Last Name \_\_\_\_\_ First Name \_\_\_\_\_ M.I. \_\_\_\_\_ Social Security Number \_\_\_\_\_ 932777-01  
Number \_\_\_\_\_

**D Mailing Instructions**

**After all signatures have been obtained, this form can be sent by**

**Fax to:**  
**1-866-633-6212**

**OR**

**Regular Mail to:**  
Empower Retirement  
PO Box 173764  
Denver, CO 80217-3764

**OR**

**Express Mail to:**  
Empower Retirement  
8515 E. Orchard Road  
Greenwood Village, CO 80111

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.

Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A),  
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permission.

# Beneficiary Designation 401(k) Plan

XYZ Company 401(k) Plan

932777-01

## For My Information

- For questions regarding this form, visit the Web site at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) or contact Service Provider at 1-800-338-4015.
- Use black or blue ink when completing this form.

## A Participant Information

Account extension, if applicable, identifies funds transferred to a beneficiary due to participant's death, alternate payee due to divorce or a participant with multiple accounts.

Account Extension

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Social Security Number (Must provide all 9 digits)

Last Name

First Name

M.I.

Date of Birth

Email Address

( )

Daytime Phone Number

Division/Employer/Payroll Center

( )

Alternate Phone Number

☐ Married ☐ Unmarried

## B Beneficiary Designation

### Primary Beneficiary Designation (Attach an additional sheet to name additional beneficiaries.)

If I am married, my Plan requires my spouse to be named as primary beneficiary for 100% of my account balance, or my spouse must consent to my beneficiary designation.

%			
% of Account Balance	Primary Beneficiary Name	Relationship	Social Security Number
%			
% of Account Balance	Primary Beneficiary Name	Relationship	Social Security Number
%			
% of Account Balance	Primary Beneficiary Name	Relationship	Social Security Number

### Contingent Beneficiary Designation

%			
% of Account Balance	Contingent Beneficiary Name	Relationship	Social Security Number
%			
% of Account Balance	Contingent Beneficiary Name	Relationship	Social Security Number
%			
% of Account Balance	Contingent Beneficiary Name	Relationship	Social Security Number

## C Signatures and Consent

### Participant Consent for Beneficiary Designation

I have completed, understand and agree to all pages of this Beneficiary Designation form. Subject to and in accordance with the terms of the Plan, I am making the above beneficiary designations for my vested account in the event of my death. If I have more than one primary beneficiary, the account will be divided as specified. If a primary beneficiary predeceases me, his or her benefit will be allocated to the surviving primary beneficiaries. Contingent beneficiaries will receive a benefit only if there is no surviving primary beneficiary, as specified. If a contingent beneficiary predeceases me, his or her benefit will be allocated to the surviving contingent beneficiaries. If I fail to designate beneficiaries, amounts will be paid pursuant to the terms of the Plan or applicable law. This designation is effective upon execution and delivery to Service Provider. If any information is missing, additional information may be required prior to recording my designation.

This designation supersedes all prior designations. Beneficiaries will share equally if percentages are not provided and any amounts unpaid upon death will be divided equally. Primary and contingent beneficiaries must separately total 100% in whole percentages.

If I currently have Joint Covered Persons elected for any Guaranteed Lifetime Withdrawal Benefit, the primary beneficiary on the account cannot be updated.

I understand that the Service Provider is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, the Service Provider cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC Web site at: <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>.

Important Notice: In accordance with ERISA and/or Plan Document, if I am married and I elect a primary beneficiary other than my spouse or in addition to my spouse, my spouse must consent by signing the Spousal Consent section of this form.

### DO IT FOR ME

#### Managed Account Service

I want investment professionals to make my investment choices for me based on my personal goals.

#### Fees

<u>Account balance</u>	<u>Fee</u>
Up to \$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
Greater than \$400,000	0.15%

### 3 WAYS TO ENROLL

1. Log in to [www.wvteachersdcp.com](http://www.wvteachersdcp.com) and select Guidance.
2. Complete the Managed Account Election Form, which is available from your Empower Retirement education counselor, and return it to either your education counselor or the address on the form, or
3. Call (888) WVTEACH (888-888-3224) and speak with an AAG investment adviser representative.

### HELP ME DO IT

#### Online Investment Advice

I want a fund-specific portfolio recommendation based on my needs and the core funds in the TDC Plan.

#### Fees

There is a \$25 annual fee, assessed quarterly at \$6.25, for Online Investment Advice.

### HOW TO ACCESS

Log in to the TDC Plan website at [www.wvteachersdcp.com](http://www.wvteachersdcp.com) and select Guidance to access Online Investment Advice.

### DO IT MYSELF

#### Online Investment Guidance

I want asset class-specific portfolio information created using the core funds available in the TDC Plan.

#### Fees

Online Investment Guidance is provided at no additional cost to you.

### HOW TO ACCESS

Log in to the TDC Plan website at [www.wvteachersdcp.com](http://www.wvteachersdcp.com) and select Guidance to access Online Investment Guidance.

From saving to spending, Advisory Services can help.  
Select the service that's right for you today!

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Great-West Financial®, Empower Retirement and Great-West Investments™ are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC. GWFS Equities, Inc. registered representatives may also be investment adviser representatives of GWFS affiliate, Advised Assets Group, LLC. Representatives 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. ©2018 Great-West Life & Annuity Insurance Company. All rights reserved. 98977-01-FLY-3637-1803 (13B08) AM439207-0318

  
**EMPOWER**  
RETIREMENT™

### Participant Consent for Beneficiary Designation

**Any person who presents a false or fraudulent claim is subject to criminal and civil penalties.**

Participant Signature \_\_\_\_\_ Date (Required) \_\_\_\_\_

### Spousal Consent for Beneficiary Designation

I, (name of spouse) \_\_\_\_\_, the current spouse of the participant, hereby voluntarily consent to the participant's primary beneficiary designation above and understand its effect. I understand that my spouse's beneficiary designation means that I will not receive 100% of his or her vested account balance under the Plan and that my spouse's election is not valid unless I consent to it. I understand that my consent is irrevocable unless my spouse changes the beneficiary designation, or designates me to receive 100% of his or her vested account balance.

**Spouse's Signature** \_\_\_\_\_ **Date (Required)** \_\_\_\_\_

**For Residents of all states (except California),** please have your notary complete the section below.

**Notice to California Notaries using the California Affidavit and Jurat Form** the following items must be completed by the notary on the state notary form: the title of the form, the plan name, the plan number, the document date, the participant's name and participant spouse's name. The notary forms not containing this information will be rejected and it will delay this request.

*My signature must be notarized by a Notary Public or witnessed by my spouse's Plan Administrator. The date I sign this form must match the date on which my signature is notarized or witnessed.*

**Statement of Notary**

**NOTE: Notary seal must be visible.**

The consent to this request was subscribed and sworn (or affirmed)

State of \_\_\_\_\_ )

to before me on this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_, by \_\_\_\_\_

SEAL

)SS.

(name of spouse)

County of \_\_\_\_\_ )

proved to me on the basis of satisfactory evidence to be the person who appeared before me, who affirmed that such consent represents his/her free and voluntary act.

Notary Public

My commission expires 1

### Plan Administrator Witnessing Spousal Consent

If Spousal Consent notarization is not obtained, I certify that the consent was signed by the spouse of the participant in my presence.

Plan Administrator Signature \_\_\_\_\_ Date (Required) \_\_\_\_\_

## D Mailing Instructions

**After all signatures have been obtained, this form can be sent by**

**Fax to:**  
**1-866-633-5212**

**OR**

**Regular Mail to:**  
Empower Retirement  
PO Box 173764  
Denver, CO 80217-3764

OR

**Express Mail to:**  
Empower Retirement  
8515 E. Orchard Road  
Greenwood Village, CO 80111

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**Direct Deposit (ACH)  
401(k) Plan**

**XYZ Company 401(k) Plan**

**932777-01**

**When would I use this form?**

*When I am requesting to have Direct Deposit (ACH) information established on my Automated Minimum Distributions, Periodic Payments, and Fixed Annuity Payments.*

**Additional Information**

- For questions regarding this form, visit the website at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) or contact Service Provider at 1-800-338-4015.
- Use black or blue ink when completing this form.

**A Participant Information**

*Account extension identifies funds transferred to a beneficiary due to death, alternate payee due to divorce or a participant with multiple accounts.*

Account Extension \_\_\_\_\_

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Social Security Number (Must provide all 9 digits)

Last Name \_\_\_\_\_

First Name \_\_\_\_\_

M.I. \_\_\_\_\_

Daytime Phone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Alternate Phone Number \_\_\_\_\_

**B Financial Institution Information (A business account or an IRA may not be designated.)**

- ☐ **Checking Account** - Attach a copy of a preprinted voided check for the receiving account or letter on financial institution letterhead signed by a representative from the receiving institution which includes my name, checking account number and ABA routing number.
- ☐ **Savings Account** - Attach a letter on financial institution letterhead signed by a representative from the receiving institution which includes my name, savings account number and ABA routing number.

*Automated Clearing House (ACH) credit can only be made into a United States financial institution. Any requests received referencing a foreign financial institution or referencing a United States financial institution with a further credit to an account associated with a foreign financial institution will be rejected. If your payment start date does not allow for the 10 day pre-notification process, your first payment will be sent by check to your address of record.*

**C Participant Consent**

Allow at least 15 days from the date Service Provider receives a properly completed Direct Deposit form to begin using ACH for your payments.

By requesting my distribution via ACH deposit, I certify, represent and warrant that the account requested for an ACH deposit is established at a financial institution or a branch of a financial institution located within the United States and there are no standing orders to forward any portion of the ACH deposit to an account that exists at a financial institution or a branch of a financial institution in another country. I understand that it is my obligation to request a stop to this ACH deposit request if an order to transfer any portion of payments to a financial institution or a branch of a financial institution outside the United States will be implemented in the future. Service Provider reserves the right to reject the ACH request and deliver any payment via check in lieu of direct deposit.

I hereby authorize the initiation of credit entries and, if necessary, debit entries and adjustments for any credit entries in error to my checking or savings account at the financial institution as referenced in the attached documentation, in the form of an ACH transfer. I understand that payments will be made in accordance with the directions I have specified on this form until I cancel this agreement in writing. Notice of cancellation must be made by me at least 30 days prior to a payment date for the cancellation to be effective with respect to my subsequent payments. I understand that Service Provider reserves the right to terminate the authorization agreement for ACH transfers for any reason and will notify me in the event of such termination by sending notice to my last known address on file. I acknowledge that it is my obligation to provide notification of any address or other changes affecting my electronic fund transfers during my lifetime. I am solely responsible for any liability that may arise out of my failure to provide such notification affecting my ACH transfers. I agree that Service Provider is not liable for payments made in accordance with this properly completed Direct Deposit form. I hereby authorize and direct my financial institution not to hold any overpayments made on my behalf or on behalf of my estate or any current or future joint account holder, if applicable.

I understand that if this form is not completed properly, payments will be made by check and mailed directly to me at my last known mailing address on file.

Any person who presents a false or fraudulent claim is subject to criminal and civil penalties.

Participant Signature \_\_\_\_\_ Date (Required) \_\_\_\_\_

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ M.I. \_\_\_\_\_ Social Security Number \_\_\_\_\_ 932777-01  
Number

**D Mailing Instructions**

This form can be sent by

Fax to:  
1-866-633-5212

OR

Regular Mail to:  
Empower Retirement  
PO Box 173764  
Denver, CO 80217-3764

OR

Express Mail to:  
Empower Retirement  
8515 E. Orchard Road  
Greenwood Village, CO 80111

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.

Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: White Plains, NY; and their subsidiaries and affiliates. All trademarks, logos, service marks, and design elements used are owned by their respective owners and are used by permission.



# West Virginia Teachers' Defined Contribution Retirement System (TDC Plan)

[www.wvteachersdcp.com](http://www.wvteachersdcp.com)

(888) WVTEACH (888-988-3224)

## EMPOWER RETIREMENT ADVISORY SERVICES

### WILL YOU BE READY FOR RETIREMENT?

In order to answer *yes*, there are three questions you need to answer first:

- How much should I save?
- Which investment options should I choose?
- What will my retirement income look like?

These are the questions people often identify as the most challenging when it comes to planning for retirement. The good news is that you don't have to answer them on your own. The West Virginia Teachers' Defined Contribution Retirement System (TDC Plan) offers a powerful solution that can help — it's called Empower Retirement Advisory Services, offered by Advised Assets Group, LLC, a registered investment adviser. Advisory Services applies an innovative approach to help get you on the right path to reaching your retirement goals. It provides you with the opportunity to choose the level of assistance you want as you build a retirement strategy to fit your unique needs.

To get the process started, all you have to do is identify your investor type, which is based on a philosophy that individuals typically fall into one of three common types:

- Do it for me
- Help me do it
- Do it myself

Regardless of which type of investor you are, Advisory Services has a solution that is built for your needs.

*There is no guarantee provided by any party that participation in any of the advisory services will result in a profit or that the related account will outperform a self-managed portfolio invested without assistance.*





## Plan Features & Highlights

www.wvteachersdcp.com

(888) WVTEACH (888-988-3224)



### Participation

The West Virginia Teachers' Defined Contribution Retirement System (TDC Plan) is administered by the West Virginia Consolidated Public Retirement Board (WV CPRB). Empower Retirement is the third-party administrator and service provider for the TDC Plan. Empower Retirement is headquartered in Colorado and focuses on providing high-quality retirement plan services to employers and employees of government entities, such as the WV CPRB. Empower Retirement is one of the leading providers of such services to county, city and state governments.

#### What is a 401(a) plan?

The West Virginia TDC Plan is a 401(a) plan. A 401(a) plan is a retirement savings plan designed to allow employers and their employees to contribute to a retirement plan on a tax-deferred basis until the money is withdrawn.

#### How much are the employer and employee contributions?

The TDC Plan mandates an employer contribution in the amount of 7.5% of your eligible gross compensation. The TDC Plan also mandates an employee contribution in the amount of 4.5% of your eligible gross compensation.

### Vesting

#### When am I vested in the TDC Plan?

Vesting refers to the percentage of your account that you are entitled to receive upon the occurrence of a distributable event. Your contributions to the TDC Plan and any earnings they generate are always 100% vested.<sup>1</sup> Your employer contributions to the TDC Plan vest as follows:

Years of Service	Vested Percentage of Contributions
Less than 6 years	0.00%
6 but less than 9 years	33.33%
9 but less than 12 years	66.67%
12 years or more	100.00%

### Distributions

#### When can I receive a distribution from my account?

Qualifying distributable events are as follows:

- Retirement (you must meet the minimum retirement criteria of age 55 and 12 years of service);
- Permanent disability;
- Severance of employment (as defined by the Internal Revenue Code provisions); or
- Death (upon which your beneficiary receives your benefits).

Ordinary income tax will apply to each distribution. Distributions received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty. Note: The TDC Plan does not permit a loan from your TDC Plan account.

#### What are my distribution options?

1. Leave the value of your account in the TDC Plan until a future date.
2. Roll over your account balance to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan that accepts such rollovers, or to an IRA.
3. Purchase fixed annuity payments.
4. Receive periodic payments.
5. Receive a lump-sum payment.

#### Can the assets in my TDC Plan be included in a divorce settlement?

Yes. Contributions to the Plan made during your marriage, including earnings and/or losses, are considered marital property. Upon receipt and approval of a qualified domestic relations order, a separate account will be established in the alternate payee's name.

#### What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account. Your beneficiary(ies) must contact an Empower Retirement representative to request a distribution.

### Rollovers

#### May I roll over my account from my former employer's plan?

Yes, but solely for the purpose of repayment of withdrawn contributions from the TDC Plan. Only approved balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or traditional IRA may be rolled over to the TDC Plan. Please check with your Empower Retirement representative for more information.

#### May I roll over my account if I leave employment with my current employer?

There is not a requirement to roll over your account balance. If you sever employment with your current employer and are not going to full-time employment with another participating employer of the WV CPRB, you may roll over your account balance to another eligible governmental 457(b), 401(k), 403(b) or 401(a) plan if your new employer's plan accepts such rollovers. You may also roll over your account balance to an IRA. Please contact your Empower Retirement representative for more information. 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.

### Taxes

#### How does my participation in the TDC Plan affect my taxes?

Employer and employee contributions and any earnings are tax-deferred until you withdraw money, usually during retirement. Distributions from the TDC Plan are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies) at your then-current tax rate. A 10% early withdrawal federal tax penalty may also apply to distributions taken before age 59½.

<sup>1</sup> Upon notification to the TDC Plan of your severance of employment, any non-vested employer match balance will be withdrawn from your account and moved to the Plan's suspense account. Any vested employer match money in your account will be reflected as 100% vested and will not be moved to the Plan's suspense account. Your Total Service credit is used to determine the vested percentage for your employer contributions. Service credit is unverified until you terminate or retire from employment and request a distribution. If you believe this service credit to be in error, you should contact the payroll/service officer, prior to your retirement and/or termination of employment, at your local payroll office to research your years of service. If the payroll/service officer discovers an error, the officer will submit the correction to the TDC Plan in writing to be updated.

## Fees

### Are there any recordkeeping or administrative fees to participate in the TDC Plan?

There is currently a \$100 annual administrative fee set by the WV CPRB. The administrative fee will be deducted from the employer portion of your TDC account every quarter in the amount of \$25.

### Are there any fees for the investment options?

Each investment option has fees that vary by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for investment management, trading of portfolio securities and other similar expenses.

Funds may also impose redemption fees on certain transfers, redemptions or exchanges. 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, please refer to the fund prospectus.

The Great-West SecureFoundation® Benefit Fee is in addition to the fees and expenses of the Plan. For more important information regarding Great-West SecureFoundation, including product specifics and fees, refer to the Great-West SecureFoundation® Summary Disclosure Statement available on your Plan's website.

### Are there any distribution fees?

No. Before taking a distribution, contact an Empower Retirement representative to get more information.

## Managing Your Account

### What are my investment option choices?

A wide array of core investment options is available through the TDC Plan. More information on your individual investment options can be found on the TDC website at [www.wvteachersdcp.com](http://www.wvteachersdcp.com) and via the voice response system, toll free, at (888) WVTEACH (888-986-3224). The website and the voice response system are available to you 24 hours a day, seven days a week.

### How do I keep track of my account?

Empower Retirement will mail you a quarterly account statement showing your account balance and activity, or you can elect paperless statements on the website.

You can check your account balance and move money among the investment options on the website at [www.wvteachersdcp.com](http://www.wvteachersdcp.com) or by calling the voice response system at (888) WVTEACH (888-986-3224).

### How do I make investment option changes?

Upon automatic enrollment in the TDC Plan, your contributions are directed to the Great-West Trust Lifetime Asset Allocation Series fund that most closely matches your estimated retirement year. Generally, the asset allocation of each target date fund will gradually become more conservative as the fund nears the target retirement date. The date in a target date fund's name is the approximate date when investors plan to start withdrawing their money (which is assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal. For more information, please refer to the fund prospectus and/or disclosure document.<sup>2</sup>

Use your PIN and Social Security number to access either the website or the voice response system. You can move all or a portion of your existing balances among investment options (subject to TDC Plan rules) and change how your payroll contributions are invested on the website or via the voice response system.

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, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative. Read them carefully before investing.

## Investment Assistance

Employees of the WV CPRB cannot give financial, legal or tax advice. However, there are financial calculators and educational tools on the plan website that provide information that can help you be more prepared to select your investment options. Or you can get help through the advisory services discussed below.

### How can I get help choosing my investment options?

The TDC Plan offers access to three different levels of investment advisory services called Empower Retirement Advisory Services, offered by Advised Asset Group, LLC, a registered investment adviser. You can have a registered investment adviser manage your retirement account for you through the Managed Account service. Or if you prefer to manage your retirement account on your own, you can use Online Investment Guidance or Online Investment Advice. These services provide a retirement strategy based on your investment goals, time horizon and tolerance for risk. There is no guarantee provided by any party that participation in any of the Advisory Services will result in a profit or that the related account will outperform a self-managed portfolio invested without assistance.

Please visit [www.wvteachersdcp.com](http://www.wvteachersdcp.com) for more detailed information or call (888) WVTEACH (888-986-3224) to speak to an investment adviser representative.

### What fees do I pay to participate in Advisory Services?

While Online Investment Guidance is available at no additional cost to you, there is a \$25 annual fee assessed quarterly at \$6.25 for Online Investment Advice. If you choose to have AAG manage your account for you, the annual Managed Account service fee will be based on a percentage of your managed account balance and assessed to your account quarterly, as follows:

Account Balance	Annual Managed Account Service Fee
Up to \$100,000	0.45%
Next \$100,000	0.35%
Next \$100,000	0.25%
Greater than \$400,000	0.15%

For example, if your account balance is \$50,000, the maximum annual fee will be 0.45% of the account balance. If your account balance is \$500,000, the first \$100,000 will be subject to a maximum annual fee of 0.45%; the next \$100,000 will be subject to a maximum annual fee of 0.35%; the next \$100,000 will be subject to a maximum annual fee of 0.25%; and any amounts over \$400,000 will be subject to a maximum annual fee of 0.15%.

### How do I get more information?

Your Empower Retirement representative will provide regional seminars and offer an annual account review for every TDC Plan participant. Visit the TDC Plan website at [www.wvteachersdcp.com](http://www.wvteachersdcp.com) or call the voice response system toll free at (888) WVTEACH (888-986-3224) to find out when your representative is scheduled to be in your area. The TDC Plan website also provides information regarding your TDC Plan, financial education information, retirement calculators, and other tools to help you manage your account.

<sup>2</sup> 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.

Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company. Great-West Financial®, Empower Retirement and Great-West Investments® are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC. GWFS Equities, Inc., registered representatives may also be investment adviser representatives of GWFS affiliate, Advised Assets Group, LLC. Representatives 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. Shares of Great-West Funds, Inc. are not sold directly to the general public but are offered to permitted accounts as defined in the prospectus. Asset allocation funds of Great-West Funds may invest in funds that are advised by Great-West Capital Management, LLC or are sub-advised by affiliates of GWCM. Asset allocation funds may also invest in a fixed-interest contract issued by GWMLA. While certain sub-advised funds may be managed similar to or modeled after other mutual funds with similar names and investment objectives, the Great-West Funds are not directly related to them. Consequently, the investment performance and other features of other mutual funds and any similarly named Great-West Fund may differ substantially. ©2018 Great-West Life & Annuity Insurance Company. All rights reserved. 88877-01-FLY-3365-1802 AM427205-0218



Empower Retirement  
P.O. Box 173764  
Denver, CO 80217-3764

## RETIREMENT PLAN NAME

PARTICIPANT NAME  
ADDRESS  
CITY, STATE ZIP

Statement Period: 01/01/20XX - 03/31/20XX  
Participant ID: 123456  
Plan: 123456-01

### A Narrative

Ability of creating a custom narrative using 75 characters (including punctuation and spaces) per line with a limit of two lines.

### What is my account balance?

\$278,900.17

As of 03/31/20XX

### Where can I go for help?

Website: [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant)  
Phone: 1-800-333-4015  
Mail: Empower Retirement  
P.O. Box 173764  
Denver, CO 80217-3764

### How has my account changed?

	<u>Employee</u>	<u>Employer</u>	<u>Total</u>
Balance as of December XX, 20XX	\$262,984.00	\$4,849.91	\$267,833.91
Payroll Contributions	906.25	725.00	1,631.25
Loan Payments	791.60	0.00	791.60
Change in Value	8,476.22	173.44	8,649.66
Expenses	-6.14	-0.11	-6.25
Balance as of March 31, 20XX	\$273,151.93	\$5,748.24	\$278,900.17
Vested Balance as of March 31, 20XX	\$273,151.93	\$5,748.24	\$278,900.17

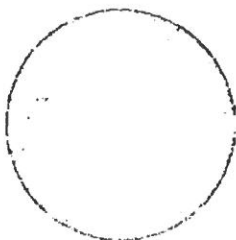
Vesting information provided as of March 31, 20XX



## RETIREMENT PLAN NAME

PARTICIPANT NAME  
123456

### How will my future contributions be invested?



☒ 100% Asset Allocation  
 40% Fund Name  
 30% Fund Name  
 30% Fund Name

### How is my account invested?

	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Change in Value</u>	<u>Transfers</u>	<u>Withdrawals /Expenses</u>	<u>Ending Balance</u>	<u>Ending Units/ Shares</u>
<b>Asset Allocation</b>							
Fund Name	107,382.29	969.13	3,271.52		-2.51	111,620.43	7,502.130
Fund Name	80,220.17	726.86	2,687.76		-1.87	83,632.92	5,672.441
Fund Name	80,231.45	726.86	2,690.38		-1.87	83,646.82	5,493.523
<b>Totals</b>	<b>267,833.91</b>	<b>2,422.85</b>	<b>8,649.66</b>		<b>-6.25</b>	<b>278,900.17</b>	

### How is my account being funded?

	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Change in Value</u>	<u>Withdrawals /Expenses /Transfers</u>	<u>Ending Balance</u>	<u>Percent Vested</u>	<u>Vested Balance</u>
Employee Before Tax	5,450.72	929.69	197.75	-0.13	6,578.03	100%	6,578.03
Employee Rollover	257,533.28	768.16	8,278.47	-6.01	266,573.90	100%	266,573.90
Employer Match	4,849.91	725.00	173.44	-0.11	5,748.24	100%	5,748.24
<b>Totals</b>	<b>267,833.91</b>	<b>2,422.85</b>	<b>8,649.66</b>	<b>-6.25</b>	<b>278,900.17</b>		<b>278,900.17</b>

### What is my loan information?

<u>Loan</u>	<u>Beginning Principal Balance</u>	<u>New Loans Issued</u>	<u>Interest Paid</u>	<u>Principal Paid</u>	<u>Total Payments</u>	<u>Distributed Loans</u>	<u>Ending Principal Balance</u>
A1	19,578.01		126.38	665.22	791.60		18,912.79
<b>Totals</b>	<b>19,578.01</b>		<b>126.38</b>	<b>665.22</b>	<b>791.60</b>		<b>18,912.79</b>

## RETIREMENT PLAN NAME

PARTICIPANT NAME  
123456

### Who are my beneficiaries?

<u>Type</u>	<u>Name</u>	<u>Relationship</u>	<u>Percent</u>	<u>Address</u>
Primary	Beneficiary Name	Spouse	100.00%	Street City, State Zip
Contingent	Beneficiary Name	Parent	100.00%	Street City, State Zip

### What activity took place this period?

	<u>Payroll Date</u>	<u>Effective Date</u>	<u>Dollar Amount</u>
<b>Deposits/Contributions</b>			
Contribution	Jan 09, 20XX	Jan 12, 20XX	405.00
Loan Payment	Jan 09, 20XX	Jan 12, 20XX	197.90
Contribution	Jan 23, 20XX	Jan 26, 20XX	405.00
Loan Payment	Jan 23, 20XX	Jan 26, 20XX	197.90
Contribution	Feb 06, 20XX	Feb 09, 20XX	416.25
Loan Payment	Feb 06, 20XX	Feb 09, 20XX	197.90
Contribution	Feb 20, 20XX	Feb 23, 20XX	405.00
Loan Payment	Feb 20, 20XX	Feb 23, 20XX	197.90
<b>Total Deposits/Contributions</b>			<b>2,422.85</b>
<b>Expenses</b>			
Loan Maintenance Fee		Jan 08, 20XX	-6.25
<b>Total Expenses</b>			<b>-6.25</b>

### C Narrative

Ability of creating a custom narrative using 7 characters (including punctuation and spaces) per line with a limit of twenty lines.

### What is the rate of return on my retirement account(s)?

<u>Period</u>	<u>Year To Date</u>
01/01/20XX - 03/31/20XX	01/01/20XX - 03/31/20XX
3.22%	3.22%

Personalized performance information is provided to account holders as a general approximation of the overall recent performance of your account. It is calculated based on a formula which estimates the equivalent rate of return during the stated period, based on the opening balance, transaction activity including any applicable fees, and closing balance. Performance calculations will not include loan balance. Past performance is not a guarantee or prediction of future investment results.

# RETIREMENT PLAN NAME

PARTICIPANT NAME  
123456

## How have the investments in my plan performed?

The Investment Code can be used when you request certain investment related transactions on the voice response system.

Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit [www.XXXXXX401k.com](http://www.XXXXXX401k.com). The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost.

Please consider the investment objectives, risk, fees and expenses carefully before investing. For this and other important information, you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from your registered representative or Plan website. Read them carefully before investing.

An investment in a DEF Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although the portfolio/fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the DEF Fund.

For additional fund information, please refer to the Fund Fact Sheet or Prospectus.

### Average Annualized Total Return as of December 31, 20XX

Investment Option	Investment Code	3 Month	YTD	1 Year	3 Year	5 Year	Inception /10 Year	Inception Date	Expense Ratio
<b>Asset Allocation</b>									
Fund Name <sup>3,4,6</sup>	5916	1.24	4.40	4.49	5.43	5.30	4.91	Nov 2007	.60
Fund Name <sup>3,4,6</sup>	5918	1.52	5.16	5.16	8.27	7.33	5.10	Nov 2007	.59
Fund Name <sup>3,4,6</sup>	5919	2.42	6.76	6.76	11.57	9.20	5.52	Nov 2007	.62
Fund Name <sup>3,4,6</sup>	5920	2.57	7.27	7.27	13.35	10.08	5.62	Nov 2007	.64
Fund Name <sup>3,4,6</sup>	5921	2.63	7.32	7.32	14.86	10.82	5.50	Nov 2007	.67
Fund Name <sup>3,4,6</sup>	5922	2.68	7.01	7.01	15.55	10.97	5.33	Nov 2007	.71
Fund Name <sup>3,4,6</sup>	5923	2.70	6.77	6.77	15.78	11.04	5.38	Nov 2007	.75
Fund Name <sup>3,4,6</sup>	7821	2.72	6.78	6.78	15.78	N/A	10.22	Jan 2011	.76
Fund Name <sup>3,4,6</sup>	4333	2.51	N/A	N/A	N/A	N/A	.78	Jul 2014	
<b>International Funds</b>									
Fund Name <sup>8,10,19</sup>	253	-1.72	-2.66	-2.66	11.72	5.68	6.69	Jun 2002	.84
Fund Name <sup>8,10,19</sup>	5487	-6.69	-4.55	-4.55	7.95	5.66	11.55	Sep 2005	1.08
Fund Name <sup>1,5,7,14</sup>	N/A	-3.57	-4.90	-4.90	11.06	5.33	4.43		
<b>Small Cap Funds</b>									
Fund Name <sup>8,11,19</sup>	2537	6.76	4.61	4.61	18.87	15.55	8.43	May 2002	1.08
Fund Name <sup>8,11,19</sup>	7099	7.61	5.45	5.45	17.59	16.83	9.16	Oct 2006	.77
Fund Name <sup>8,11,19</sup>	2521	6.84	7.50	7.50	20.55	16.87	9.13	Nov 2000	.09
Fund Name <sup>1,5,7,17</sup>	N/A	9.73	4.89	4.89	19.21	15.55	7.77		
<b>Mid Cap Funds</b>									
Fund Name <sup>8,13,19</sup>	7568	8.17	14.85	14.85	22.03	17.98	9.75	Oct 2001	1.13
Fund Name <sup>8,13,19</sup>	6354	6.55	9.45	9.45	17.67	14.96	10.52	Dec 1996	.77
Fund Name <sup>8,13,19</sup>	5283	6.64	13.76	13.76	21.27	17.04	9.47	Nov 2001	.09
Fund Name <sup>1,5,7,16</sup>	N/A	6.35	9.77	9.77	19.99	16.54	9.71		



# RETIREMENT PLAN NAME

PARTICIPANT NAME  
123456

## How have the investments in my plan performed? (continued)

Average Annualized Total Return as of December 31, 20XX									
Investment Option	Investment Code	3 Month	YTD	1 Year	3 Year	5 Year	Inception /10 Year	Inception Date	Expense Ratio
<b>Large Cap Funds</b>									
Fund Name <sup>8,19</sup>	5003	2.96	10.19	10.19	20.70	14.31	7.23	Aug 1994	.94
Fund Name <sup>8,19</sup>	5001	5.57	11.23	11.22	17.90	13.83	8.04	Jun 1971	.97
Fund Name <sup>9</sup>	5915	4.92	13.53	13.53	20.25	15.34	7.60	Mar 1997	.18
Fund Name <sup>1,5,7,15</sup>	N/A	4.93	13.69	13.69	20.41	15.45	7.67		
<b>Balanced Funds</b>									
Fund Name <sup>8,19</sup>	5044	3.17	10.37	10.37	14.51	11.67	7.48	Nov 1986	.56
<b>Bond Funds</b>									
Fund Name <sup>8,12,19</sup>	7592	-.31	2.91	2.91	.05	5.68	4.19	Oct 2002	.27
Fund Name <sup>8,12,19</sup>	10493	1.82	7.09	7.09	5.23	6.66	6.14	Sep 1996	.63
Fund Name <sup>1,5,7,18</sup>	N/A	1.79	5.97	5.97	2.16	4.45	4.71		
<b>Money Market Funds</b>									
Fund Name	6668	.00	.01	.01	.01	.01	1.44	Aug 1994	.53
(7 Day SEC Yield as of December 31, 2014: .01%) <sup>2,8,19</sup>									
<b>Stable Value Fund</b>									
Fund Name <sup>9</sup>	5924	.25	.98	.98	1.23	1.62	2.15	Dec 2007	.55

These returns and fund operating expenses are expressed as percentages. 3, 5 and 10 Year/Since Inception returns shown are annualized. For 10 Year/Since Inception, if the fund was not in existence for 10 years, returns shown are since inception. If the fund is less than one year old, returns are not annualized.

Performance returns reflect deduction for fund operating expenses. Your Plan also assess an administrative fee which would further reduce the performance shown above.

Funds may impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. For more information, see the funds prospectus and/or disclosure documents.

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On occasion, the name and investment objective of an investment option may change. For specific information on whether the option name has changed within the past year or if the investment objective has changed in the last ten years, please contact your Registered Representative for a current prospectus.

Investment decisions should not be based solely on the performance data contained herein. Although data is gathered from reliable sources, including but not limited to Morningstar, Inc., the completeness or accuracy of the data shown cannot be guaranteed.

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Expense ratios shown on participant and plan level statements are gross expense ratios and do not include any applicable fee waivers or expense reimbursements, as do net expense ratios. The expense ratios may be based on a prior reporting period than those shown on the Plan's investment performance report. For the most current expense ratios, including the net expense ratios, please visit [www.XXXXXX401k.com](http://www.XXXXXX401k.com) and review the investment performance report.

\* Performance returns were not available at the time of production. Performance returns will be published once the information becomes available.



## RETIREMENT PLAN NAME

PARTICIPANT NAME  
123456

### How have the investments in my plan performed? (continued)

- <sup>2</sup> The 7-day current yield more closely reflects the current earnings of the money market portfolio/fund than the total return quotation.
- <sup>3</sup> A target date fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date (which is the assumed retirement date for an investor).
- <sup>4</sup> The date in a target date fund's name represents an approximate date when an investor is expected to retire (which is assumed to be at age 65) and/or begins withdrawing money. The principal value of the funds is not guaranteed at any time, including the target date. For more information, please refer to the fund prospectus and/or disclosure document.
- <sup>5</sup> Benchmark index returns are supplied by Morningstar, Inc. There may be another benchmark that is more specific to each of the funds listed under the broad asset class. Please refer to the fund's prospectus for more specific information as to the fund's actual benchmark index.
- <sup>6</sup> Asset allocation funds are generally subject to a fund operating expense at the fund level, as well as a prorated fund operating expenses of each underlying fund in which they invest. For more information, please refer to the fund prospectus and/or disclosure document.
- <sup>7</sup> A benchmark index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, performance of a fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.
- <sup>8</sup> Mutual Fund Option. The inception date is that of the fund's original share class. Performance returns for mutual fund options in your Plan offering a different share class with a more current inception date have been adjusted to reflect the fees and charges associated with the actual share class. For more information on the actual share class offered through your Plan, please refer to the Fund Fact Sheets on the web site.
- <sup>9</sup> Collective Trust Fund Option. A ticker symbol is not available for this investment option. A collective fund is not a mutual fund and is exempt from SEC registration. Designed for and exclusively sold to qualified retirement plans and their participants, the funds are not available to individual retail investors.
- <sup>10</sup> Foreign investments involve special risks, including currency fluctuations and political developments.
- <sup>11</sup> Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.
- <sup>12</sup> Compared to higher-rated securities, high yield bond investment options are subject to greater risk, including the risk of default. 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.
- <sup>13</sup> Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.
- <sup>14</sup> Fund Name is a registered trademark of XYZ LLC, and is an unmanaged index considered indicative of the domestic Large-Cap equity market.
- <sup>15</sup> Fund Name is a registered trademark of XYZ LLC, and is an unmanaged index considered indicative of the domestic Mid-Cap equity market.
- <sup>16</sup> Fund Name is a trademark of ABC Investments and is an unmanaged index considered indicative of the domestic Small-Cap equity market.
- <sup>17</sup> Fund Name is an unmanaged index representative of the broad bond market and is composed of government and corporate bonds, mortgage-backed bonds and asset-backed bonds.
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## RETIREMENT PLAN NAME

PARTICIPANT NAME  
123456

Please review this statement carefully to confirm that we have properly acted on your instructions. Corrections will be made only for errors which have been communicated within 90 calendar days of the last calendar quarter. Please direct all inquiries/complaints to the following:

Client Service Department  
Attn - Enhanced Participant Services  
8515 E. Orchard Rd.  
Greenwood Village, CO 80111  
1-800-338-4015

After this 90 days, this account information shall be deemed accurate and acceptable to you. If you notify the Company of an error after this 90 days the correction will only be processed from the date of notification forward and not on a retroactive basis.

Some of the plan's administrative expenses for the preceding quarter may have been paid from the total annual operating expenses (investment expenses) of one or more of the plan's investment options.

### -----An Important Message about Investing for Retirement & Diversification-----

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments may help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well may cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk. In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different risk tolerances. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals. Visit the Department of Labor website at [www.dol.gov/ebsa/investing.html](http://www.dol.gov/ebsa/investing.html) for more information on individual investing and diversification.

Pursuant to SEC rules, fund companies are required to enter into agreements with intermediaries to provide fund companies with the ability to identify and enforce restrictions on participants engaging in market timing or excessive trading (prohibited trading), as defined by the fund companies. Participants engaging in prohibited trading will receive a warning and, if the prohibited trading continues, will be restricted from transferring into the identified fund(s) for a specific time period determined by the fund company. Some fund companies may restrict participants immediately, without warning when prohibited trading is identified. At the end of the restriction period, the participant will be automatically allowed to resume transfers into the identified fund(s). Transfers out of the identified fund(s) will not be restricted.

# Experience matters

The connection between personalized projected retirement income and retirement readiness

## Abstract

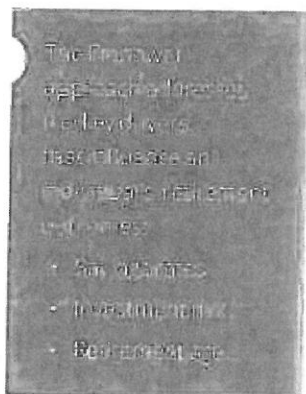
Employee engagement related to retirement planning and saving for the future has long been a challenge — especially in a defined contribution system. In 2010, Empower Retirement launched new ways for individuals to manage their workplace retirement account.

Rather than placing a focus on account balances, Empower shifted the emphasis to an individual's projected monthly income replacement in retirement, allowing individuals to come face to face with their future selves after retirement. Later, it added a health cost estimator and a peer comparison feature to help individuals take a holistic approach in order to reach their retirement savings goals.

With six years of historical data, Empower now reveals the net results of its collective approach, which covers the time period from December 2010 through September 2016 and includes nearly 7 million website visits by over 300,000 participants from 569 retirement plans that are record kept by Empower.

The intent is to determine whether this approach is shown to be effective by answering these key questions:

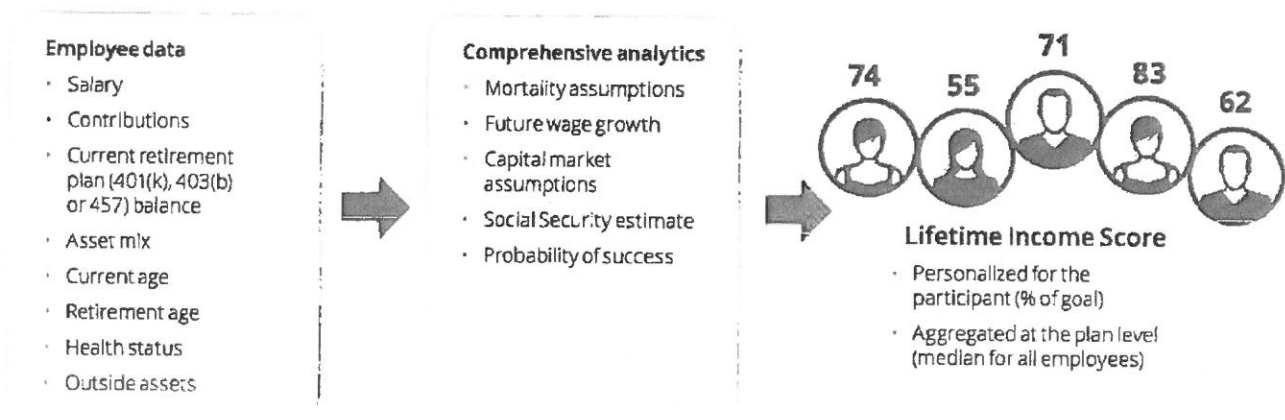
- Does the shift away from an accumulated-balance view toward a view based on projected monthly income in retirement drive a different engagement?
- How do employees respond to a personalized projection of healthcare costs in retirement?
- What is the impact of peer comparison — especially among those who have fallen far behind in their retirement savings?



## About the study

The main focus of this study is related to the percentage of individuals who took action to increase their savings rate via the web. In looking at individual savings rates, the study examines the longer-term impact of increasing savings rates and how they influence one's Lifetime Income Score™ (LIS).

Empower developed the LIS to provide each individual with a percentage that shows them where they stand in terms of being able to replace their working income in retirement at a level that may help them maintain their current lifestyle through retirement. Empower also created the LIS — using the methodology shown below — to help individuals more easily measure their progress toward their retirement income goals.



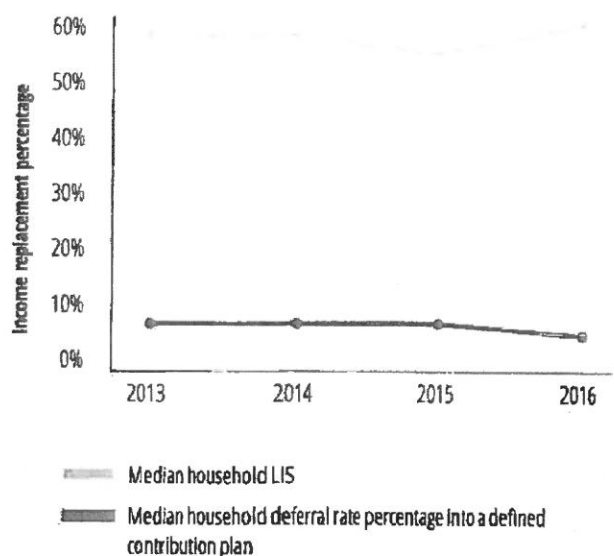
## The base case: How are average Americans faring?

Outside its own participant base, Empower has conducted annual surveys and used its projected income methodology to better understand how much income the average worker may be on track to replace in retirement. Conducted on a census-weighted basis, the annual study provides an important representation of national retirement preparedness across incomes.

The findings show that progress in important benchmark areas — such as savings rates and income replacement — have been relatively flat. And flat savings rates correlate to flat income replacement levels.

The LIS study is agnostic to the retirement service provider, making it a truly representative industry scan. It's important to note that results from the most recent survey indicate that only 30% of respondents said they had access to a retirement income projection. And of those who did, only about half had ever used this type of tool. This indicates that — industry wide — there is limited awareness of retirement

income replacement as a measure of success. And overall, based on national average income replacement percentages, individuals are lacking retirement preparedness.



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## Laying the foundation

Behavioral science and academic research can help predict the decisions individuals may make — and why.

The central idea is to provide individuals with a view that allows them to pattern their behavior after something they likely already do, which is manage their finances and budget on a monthly basis. As the individual views their projected income in retirement, they are provided with slider tools that allow them to model how taking an action, such as increasing their savings amount, influences their future income. Additionally, the forecast is provided in today's dollars, allowing the individual to see their future income in relevant terms.

More importantly, the interactive features included as part of the income projection offer a quick and simple way for participants to model different saving and investing scenarios — and then implement those changes with a single click.



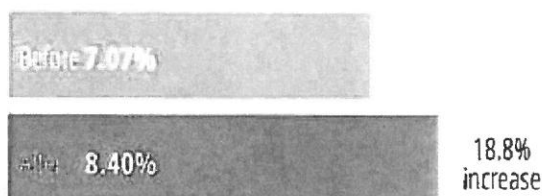
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### Does the shift away from an accumulated-balance view toward a projected income view drive a different engagement?

With six years of historical data available for analysis, Empower now evaluates whether the approach is working. In other words, are individuals who have access to a retirement income projection make positive behavioral changes compared to the savings patterns exhibited by the national benchmarks? The answer is yes.

Approximately 37% of web sessions during which individuals used the sliders resulted in savings rate changes. Notably, 75% of the changes were increases in savings rates, with an average increase percentage of 18.8%.

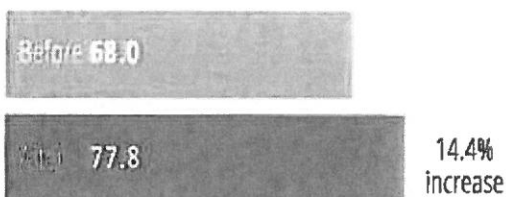
#### Savings rate: before and after using the experience



So while national average savings percentages to defined contribution plans have — based on prior LIS studies — remained relatively static, Empower participants have seen a lift of nearly 19%.

Knowing there is a direct correlation between savings rates and projected income, it was also important to look at the projected income percentage changed for Empower participants. While the national average shows that projected income has held fairly steady at around 60%, Empower participants have seen a nearly 15%-percentage point lift on a relative basis, rising from 68% when the projected income approach was introduced to almost 78% after six years of availability.

#### LIS results: continuous engagement shows meaningful lift in income replacement



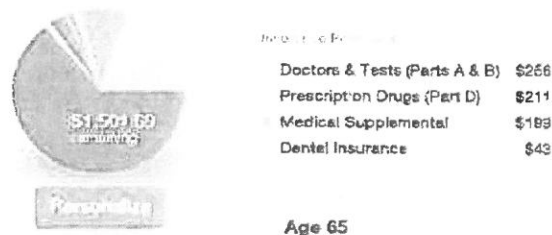
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Of course, when employee income levels rise as a result of salary increases, so too do income replacement targets. Even taking that into consideration, LIS results exceeded wage inflation by double digits.

### How do employees respond to a personalized projection of healthcare costs?

With clear evidence that individuals can improve their performance when they engage with their retirement income projections, additional complementary features have been added to maximize an individual's opportunity for a successful retirement outcome. In 2012, Empower added the Health Cost Estimator to provide individuals with clearer insights into their projected health costs in retirement.

Presented in current dollars, the *Health Cost Estimator* allows an individual to see what portion of monthly income might go toward out-of-pocket expenses. Individuals can model scenarios based on their health state and where they plan to live in retirement. The idea of this feature is to encourage individuals to increase their savings rates after viewing how much of their retirement income may be directed to healthcare expenses.

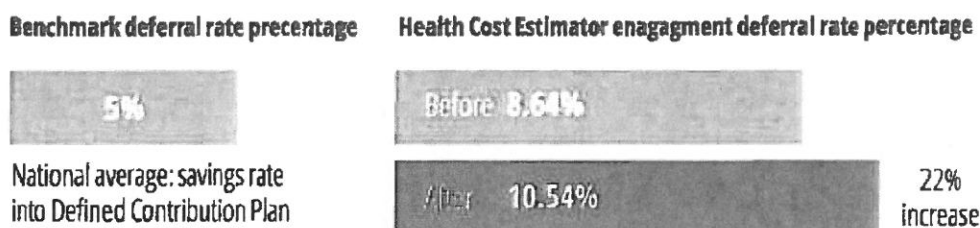


Related data shows a positive trend from the resulting actions taken by those who access the Health Cost Estimator. The average savings increase that occurred during such web sessions is just over 22% — even higher than the average increase seen by those who interact with their retirement income projections. And of all the savings changes that were made while using this tool, 92% were positive.

Also, when comparing the benchmark savings rates from Empower's annual LIS study to the savings rates of individuals who have engaged with the Health Cost Estimator, the results again show that Empower's approach

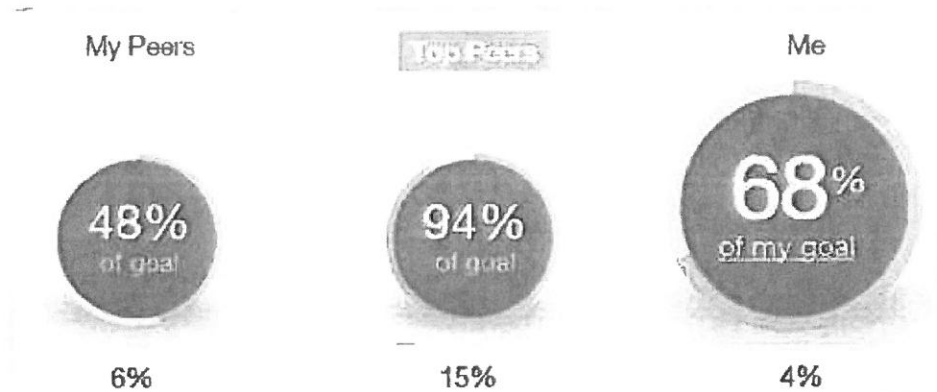
makes a positive difference over time. When comparing 2016 benchmark savings rates from the LIS study to savings rates for those who engaged with this tool, the findings show that savings rates more than double.

When individuals gain insights into what their health costs in retirement may be, strong evidence indicates they are not discouraged by such information but instead save more to meet that estimated expense.



### What is the impact of peer comparison — especially among those who have fallen far behind in their retirement savings?

Another addition— called *How Do I Compare?* — offers a unique opportunity to further analyze how individuals change their behavioral patterns when they are shown savings data from their peers. Many studies, some of which are footnoted below, have shown how social comparisons drive the actions individuals take with varied results.<sup>1</sup>



The crux of the research centers on how individuals react when presented with data that shows how much their peers are saving and have already accumulated. Do they get discouraged and take no action or negative steps, or are they encouraged to save more? In that regard, the findings from Empower's approach support this methodology as an effective tactic to help lift savings rates.

<sup>1</sup> Social comparison theory: Festinger, L., 1954, "A Theory of Social Comparison Processes," *Human Relations*.

Upward and downward social comparisons: Willis, T.A., 1981, "Downward Comparison Principles in Social Psychology," *Psychological Bulletin*. Collins, R. L., 1995, "For Better or Worse: The Impact of Upward Social Comparison on Self-Evaluation," *Psychological Bulletin*.

Retirement savings: Beshears, J., Choi, J., Laibson, D., Madrian, B., and Milkman, K., 2015, "The Effect of Providing Peer Information on Retirement Savings Decisions," *Journal of Finance*.

Precautionary savings: Kast, F., Meier, S., and Pomeroy, D., 2012, "Under-Savers Anonymous: Evidence on Self-Help Groups and Peer Pressure as a Savings Commitment Device," *NBER Working Paper Series*.

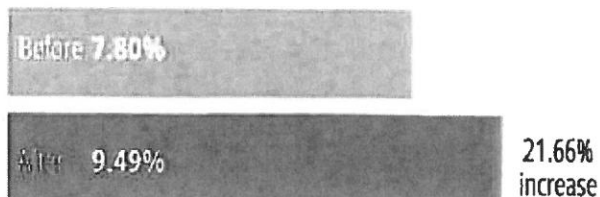


First, Empower looked at how savings rates changed when participants faced upward social comparisons based on lower projected incomes and lower savings rates. The average savings increase that occurred was just under 22%. And of all the savings rate changes that were made, nearly 90% were positive.

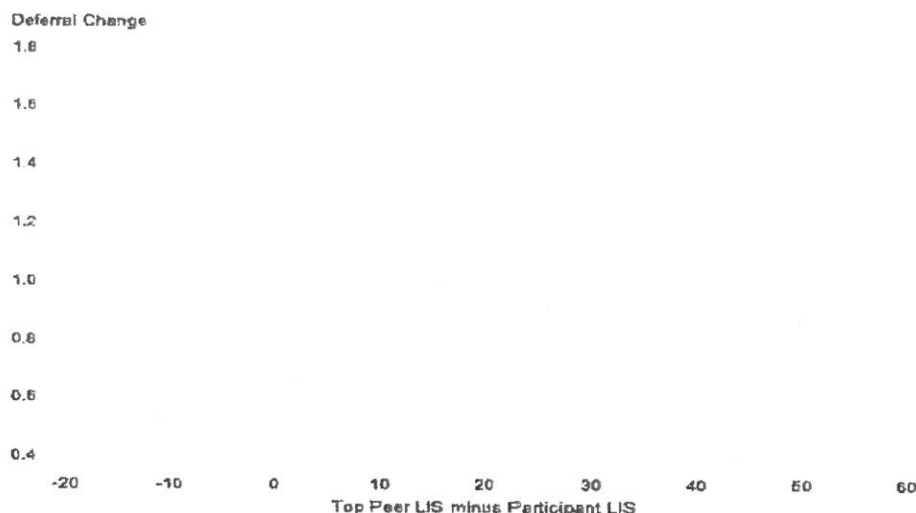
Secondly, Empower looked at the impact the How Do I Compare? feature had on individuals with the largest gaps relative to their peers. Some research studies suggest when an individual is further behind, there comes a point at which peer comparison actually has no or even a negative effect — especially when presented with large savings gaps.

Interestingly, the historical data from Empower shows that the more behind their top peers an individual is in terms of savings rate or projected income, the more they increase their savings.

#### Deferral rate comparison after engaging with How Do I Compare? feature



As the below chart illustrates, there is a consistent upward trend in savings rates as the separation between the individual and comparable peers grows larger.



One reason Empower is seeing different results could be related to how it presents retirement savings to individuals. Because Empower displays the information in more digestible monthly income increments or single-digit savings gaps, individuals may not feel as far behind when they view such results compared to future-value, lump-sum views. This may also make catching up with peers feel more attainable.

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### Following the evidence

Using behavioral science and academic research as a guide, Empower has pioneered a new approach, moving the focus from an accumulated balance to projected monthly retirement income and making it easy for individuals to understand the future impact of potential savings decisions.

Six years of statistical data presents strong evidence that links this approach to positive behavioral change with regard to transactions that are within an individual's direct control — namely increasing savings rates. And when such a positive change is made, there is a related lift in projected income results.

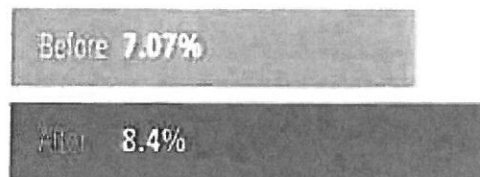
Furthermore, study findings suggest specialized retirement views around estimated retirement healthcare costs and peer comparisons also appear to drive positive behaviors.

As a whole, the proof points derived from studying the effect of Empower's approach open the door to further exploration of how behavioral science and academic research can play an important role in enhancing other retirement plan features. And it speaks to the fact that individuals can — and will — make better choices based not only what data is presented to them, but how that data is presented.

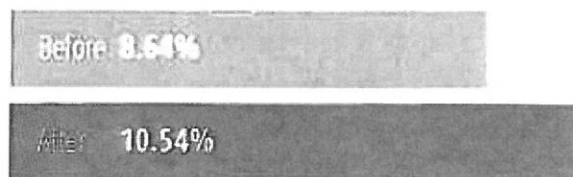
Based on Empower's findings, it's clear that the experience individuals have with their retirement plan matters. Through an innovative approach that directly addresses the key areas that influence retirement outcomes, higher individual savings rates — and higher income replacement percentages — can be achieved.

For more information, contact your Empower representative.

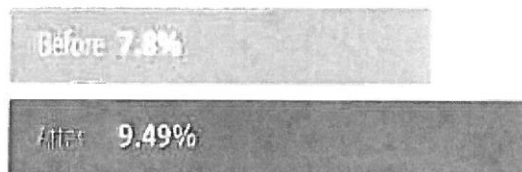
### Monthly retirement deferral income view results



### Health Cost Estimator results



### How Do I Compare? results



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ERMKT-BRD-6661-1708 AWS71098-0818

# Recordkeeping technology and security guide

## Questions to ask

### About technology

**Describe your underlying system. Is it mainframe-based or server-based?**

Unlike most of the industry, Empower Retirement uses a server-based recordkeeping system, which allows us to choose how and where we add computing power and use the most current hardware and software. This system is adaptable to the industry's changing needs, and its versatility allows us to quickly respond to customer requests and provide customized enhancements in a timely manner.

**How often are updates and enhancements made to your recordkeeping system?**

Empower's recordkeeping system is internally developed and managed, so we are able to make production upgrades frequently during the year. Planned enhancements/upgrades to our recordkeeping system are performed on a schedule that includes a minimum of six primary releases per year.

**Does your system update using batch processing or real-time functionality?**

Our recordkeeping system consists of a customer-accessible, real-time environment in which information is stored and processed instantly and customers do not have to wait overnight for batch processing of their transactions. Validity checks are also performed as information is entered, which allows the information to be immediately available to plan sponsors for calculation and reporting purposes.

**Do you have networking and application monitoring systems in place?**

Yes. Monitoring systems are in place throughout our systems environments to continually check our network and application activity in real time. Security tools are also used for log aggregation, correlation and analysis.

**How do you pass encrypted files?**

Empower utilizes proven industry encryption standards and algorithms to protect confidential information when it is transferred electronically.

**Do you transmit and store passwords and passcodes in an encrypted format?**

Yes. Passcodes and answers to security questions are transmitted and stored within the recordkeeping system in an encrypted format.

**How are your systems integrated?**

Empower's recordkeeping platform is fully integrated and performs separate trust accounting, trading, recordkeeping and payment functions, reducing the potential for inconsistencies, quality errors and out-of-balance situations. Added information flows immediately to and from our recordkeeping system, resulting in immediate accessibility to real-time information for plan sponsors, participants and Empower.

**Do you use firewall technology to protect your network?**

Yes, a next-generation firewall infrastructure designed to manage both inbound and outbound traffic is in place.

**Provide a description of your firm's data security systems.**

Empower adheres to high standards for its technology use and security systems. Our Information Security Program aligns to the international ISO 27001/27002 and NIST cyber-security standards, which include administrative, physical, and technical safeguards.

**Do you have a plan in place for resiliency that accommodates significant spikes in web traffic?**

Empower designs and builds robust systems in order to accommodate spikes in web traffic. Our systems are built to scale and new technologies are regularly evaluated to allow for maximum availability and performance regardless of load.

### About data

**Do you have solid processes around patching, anti-virus and anti-malware that are effectively designed and effectively operating?**

Yes. We have implemented a comprehensive patching policy across all hardware and software platforms to emphasize a consistent process for identification, classification and prioritization of patches; timely application of patches; and effective reporting and auditing.



**Have you implemented strong encryption in the appropriate areas for data in flight and at rest?**

Yes. Empower utilizes proven industry encryption standards and algorithms to protect confidential information when it is transferred electronically or at rest.

**Do you have a robust data loss prevention program in place?**

Yes. Empower utilizes enterprise data loss prevention (DLP) tools that help ensure data is transmitted and handled in accordance with established security rule sets. Data movements are also monitored around the clock by trained security experts.

### About security

**Do you have mature controls against threats within all the following functions: Identify, Protect, Detect, Respond and Recover?**

Yes. We assess our security program to ensure we have appropriate controls coverage within each of these capabilities. Additionally, we perform various types of security assessments to help ensure the controls are performing consistently and as designed.

**Do you have a strong security training program for your employees and users?**

Yes. Formal training in security and privacy is provided to all employees annually in addition to ad hoc training and communications throughout the year. Enhanced training programs are also offered related to specific threats, such as phishing email campaigns, that are known to be used by malicious actors.

**Are there strong authentication practices in place for privileged users?**

Yes. Strong authentication practices are in place for all privileged users.

**Do you conduct independent assessments to confirm your security posture?**

We operate in a heavily regulated industry and are audited frequently each year. We also contract with independent security firms to conduct security assessments of our external network and applications and an independent auditor conducts an SSAE 16 exam annually. In addition, various security assessment tests are completed by Verizon Business/Cybertrust to assess both the external and internal security of our environment. These assessments provide an independent expert review of many of our network and security program components. Our organization has attained the Verizon Cybertrust Security — Certified Enterprise designation in each of the last seven years.

**How do you manage attempted data breaches?**

Empower has effective incident response procedures and a dedicated team to investigate known or suspected security breaches. Our incident response procedures include steps to research, respond, manage and report suspected security breaches, and real-time systems monitoring constantly searches for vulnerabilities that could be utilized to breach our network and web-facing applications. Our team actively monitors our systems and web traffic around the clock and proactively responds to any attempted security breaches.

**Describe your disaster recovery and business continuity plans?**

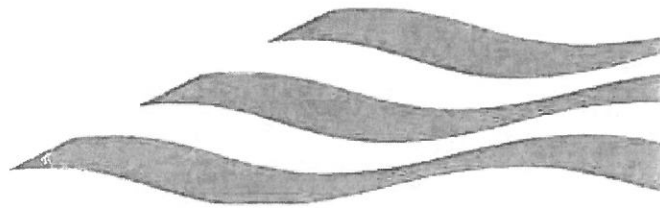
Empower maintains a documented business continuity (BC) program to ensure that, in the unlikely event of a major business interruption, business products and services are available to customers. The BC program incorporates business impact analyses and contingency planning at multiple levels, incident management guidelines, call trees and disaster declaration processes. Business continuity/disaster recovery (BC/DR) exercises are conducted multiple times per year and cover a broad range of scenarios.

**Is your organization's security program able to easily adapt to change?**

Yes. We perform a thorough risk assessment and planning process on an annual basis. Our information security board (ISB) also meets regularly throughout the year to guide our security direction and ensure we stay on track to plan. Information about changes in risk position and known threats may cause us to alter our security plan during the year. The active participation of the ISB allows for modification to the plan during the year as necessary in response to such changes or threats. The size of our organization also allows us to invest properly in our security plan and adapt quickly to change.

**Is your commitment to protecting data reinforced by a formal security guarantee?**

Yes. Yes, Empower has always stood behind the security of participant accounts and our Empower Retirement Security Guarantee reaffirms our promise to restore account losses resulting from unauthorized transactions, through no fault of the participant or plan sponsor. With Empower, you are entrusting your employees' retirement accounts to a company willing to stand behind its security controls.



**EMPOWER**

RETIREMENT™

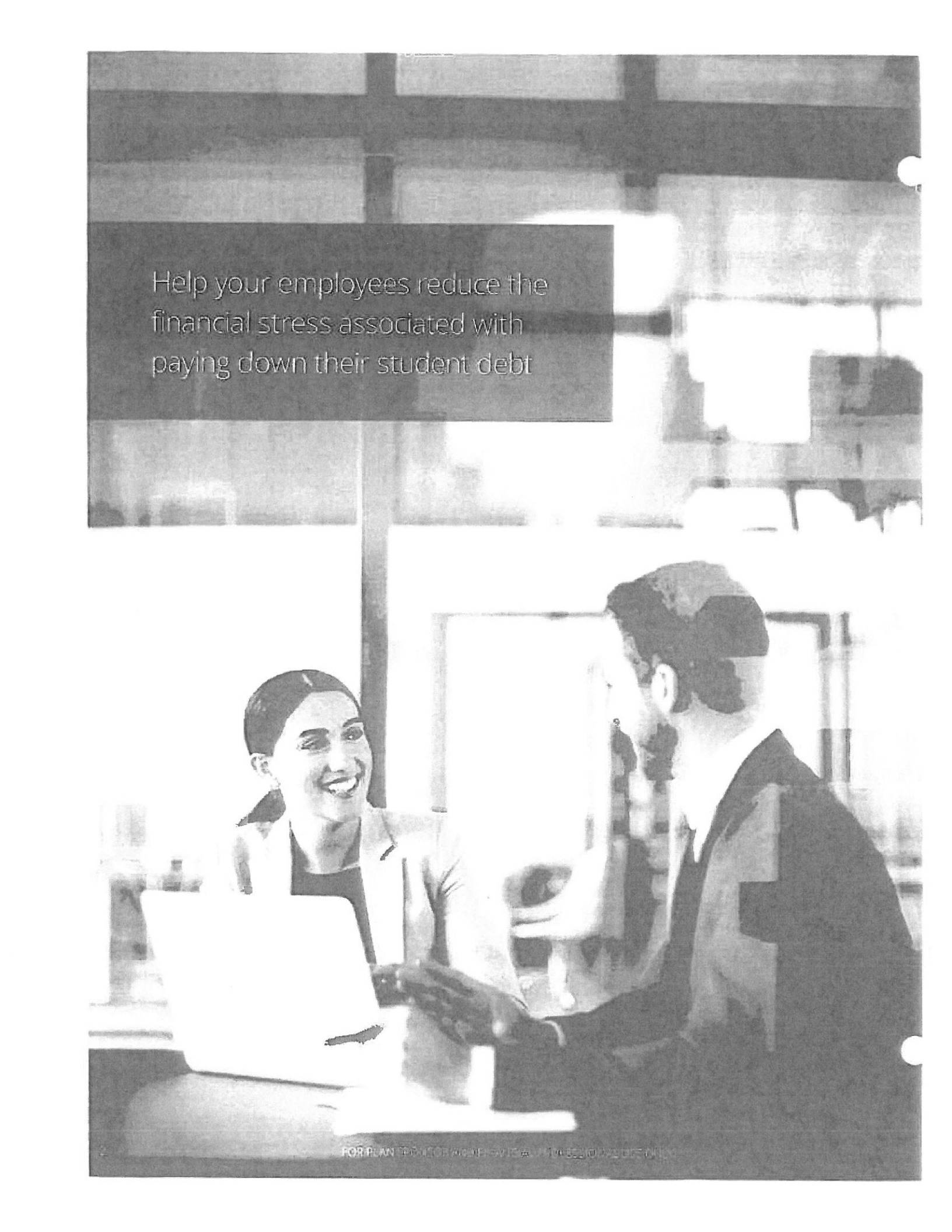
**EMPOWER**<sup>up</sup><sup>™</sup>

## Empower Student Debt Solution



  
**EMPOWER**  
RETIREMENT.



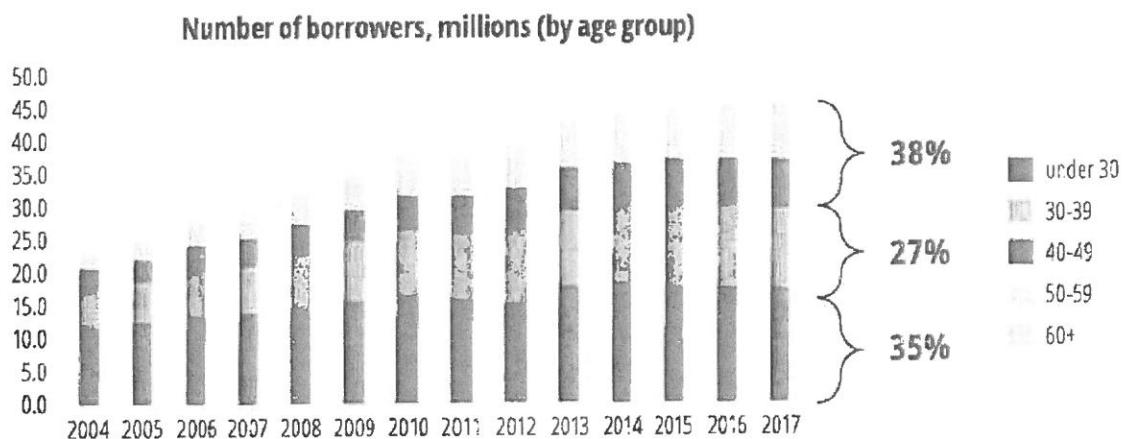


Help your employees reduce the financial stress associated with paying down their student debt

## Student debt can have a significant impact on financial wellness

There is a student debt crisis in the U.S. With over \$1.5 trillion in student loans outstanding among U.S. consumers,<sup>1</sup> student debt has become the largest non-mortgage debt in the country.

The cost of education has risen 213% over the last 20 years,<sup>2</sup> leading more than 65% of students to graduate today with student debt.<sup>3</sup> And the issue is not just impacting millennials. A growing percentage of those with outstanding student debt are over age 40, with approximately 3.2 million of such borrowers age 60 or older.<sup>4</sup>



Unfortunately, high student debt balances mean thousands of Americans are faced with making financial sacrifices as they struggle to repay their student debt in a timely manner. Saving for retirement is commonly delayed by those focused on repaying their student debt.

**81%** OF AMERICANS WITH STUDENT DEBT HAVE MADE FINANCIAL SACRIFICES AS A RESULT, INCLUDING:



**50%** DELAYED CONTRIBUTIONS TO A RETIREMENT ACCOUNT



**46%** DELAYED BUYING OR UPGRADING A CAR



**40%** DELAYED BUYING A HOUSE

Source: American Institute of CPAs, 2016.

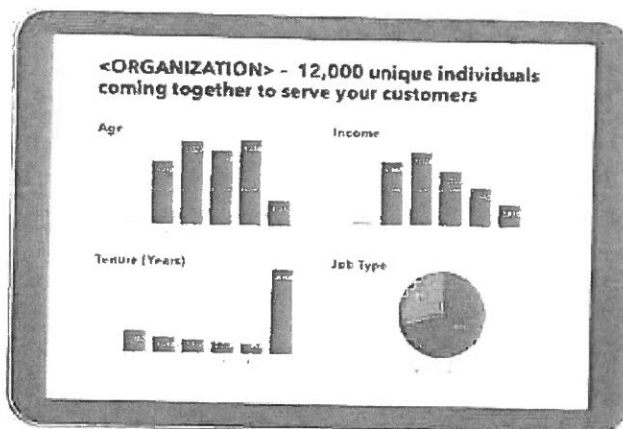
# The Empower Student Debt Solution

Empower's Student Debt Solution is designed to help your employees pay off their student debt. While the program offers lending products and guidance tools that can help employees save on their student loan payments, you can also help them pay down their student debt. Or you can choose to contribute to their retirement plan accounts based on their student loan payments.

## Here's how it works:

**1.**

A complete organizational assessment provides better overall understanding of the impact of student debts within your organization by determining:

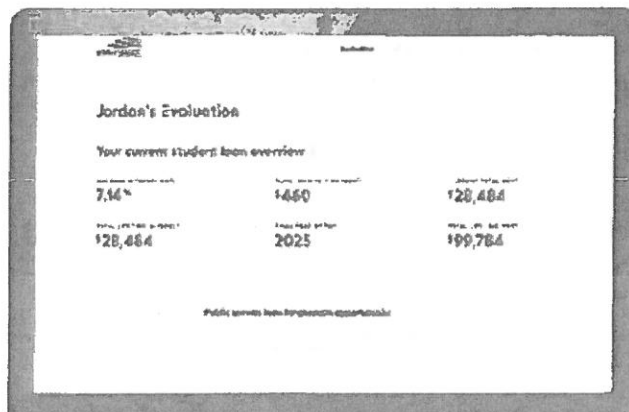


- The total amount of outstanding student debt broken down by age, income and tenure while anonymizing and aggregating the data.
- Student debt delinquency rates.
- The total number of your employees with student debt.
- The average payment amount.
- The average student loan balance.
- A projection of the total employee savings potential.
- Program costs associated with supporting an employer contribution benefit.

## 2.

Tools and resources are provided to your employees so they can explore options for paying down their student debt.

Your employees will have access to an easy-to-use evaluation tool. After an employee completes two simple steps, they will receive a personalized evaluation that provides them education and guidance based on their unique situation.



### The evaluation may recommend:

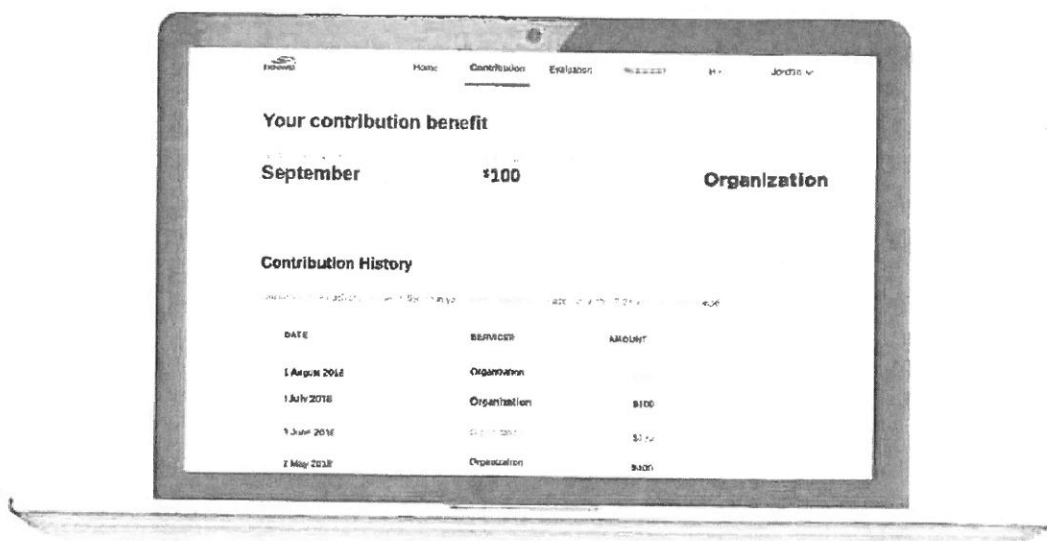
- Refinancing options.
  - Ability to refinance all or a portion of eligible student loan debt
  - Instant access to lower interest rates
  - More favorable loan terms
  - Unique “hybrid” fixed and variable student loan options (e.g., a five-year fixed loan followed by a five-year variable loan)
- Information regarding state-based forgiveness programs.
- Federal repayment and forgiveness programs.
- Income-based repayments.
- Loan consolidation.
- Public service loan forgiveness.

Employees can come back to the dashboard at any time to track their progress.

# 3.

You can make contributions to help your employees pay back loans more quickly — or stay on track toward retirement.

The Empower Student Debt Solution allows you the unique opportunity to provide additional contributions toward either an employee's student debt or retirement plan savings based on the employee's individual payments to their student debt.



## We handle the heavy lifting!

After you establish eligibility and other terms, we will:

- Send the "enroll now" invitation to all your eligible employees.
- Verify and report on the employees who signed up for the program and are having their debt payments monitored through the program.
- Facilitate your payments to your employees' student debt or retirement accounts.

## The right partner. The right solution.

Offering the best student debt solution for you requires the right partner for us. That's why we've teamed up with CommonBond, Inc., a leading provider of student loan benefits programs, to help guide your employees through the education finance journey. CommonBond is a financial technology company on a mission to give students and graduates more affordable, transparent and simple ways to pay for higher education. The company offers refinanced loans to college graduates, new loans to current students and a suite of student loan repayment benefits to employees.



FOR THE SOLUTIONS AND TOGETHER WE CAN MAKE A DIFFERENCE.

7



For more information visit  
[empower-retirement.com](http://empower-retirement.com)

- 1 Forbes, Student Loan Debt Statistics In 2019: A \$1.5 Trillion Crisis, February 2019. [forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/](http://forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/)
- 2 CNBC, Here's how much more expensive it is for you to go to college than it was for your parents, November 2017. [cnbc.com/2017/11/29/how-much-college-tuition-has-increased-from-1988-to-2018.html](http://cnbc.com/2017/11/29/how-much-college-tuition-has-increased-from-1988-to-2018.html)
- 3 Forbes, Student Loan Debt Statistics In 2019: A \$1.5 Trillion Crisis, February 2019. [forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/](http://forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/)
- 4 Forbes, Student Loan Debt Statistics In 2019: A \$1.5 Trillion Crisis, February 2019. [forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/](http://forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/)

5 There is a fee for organizational assessments.

Some features may not be available and are subject to change without notice. Images are for ILLUSTRATIVE PURPOSES ONLY.

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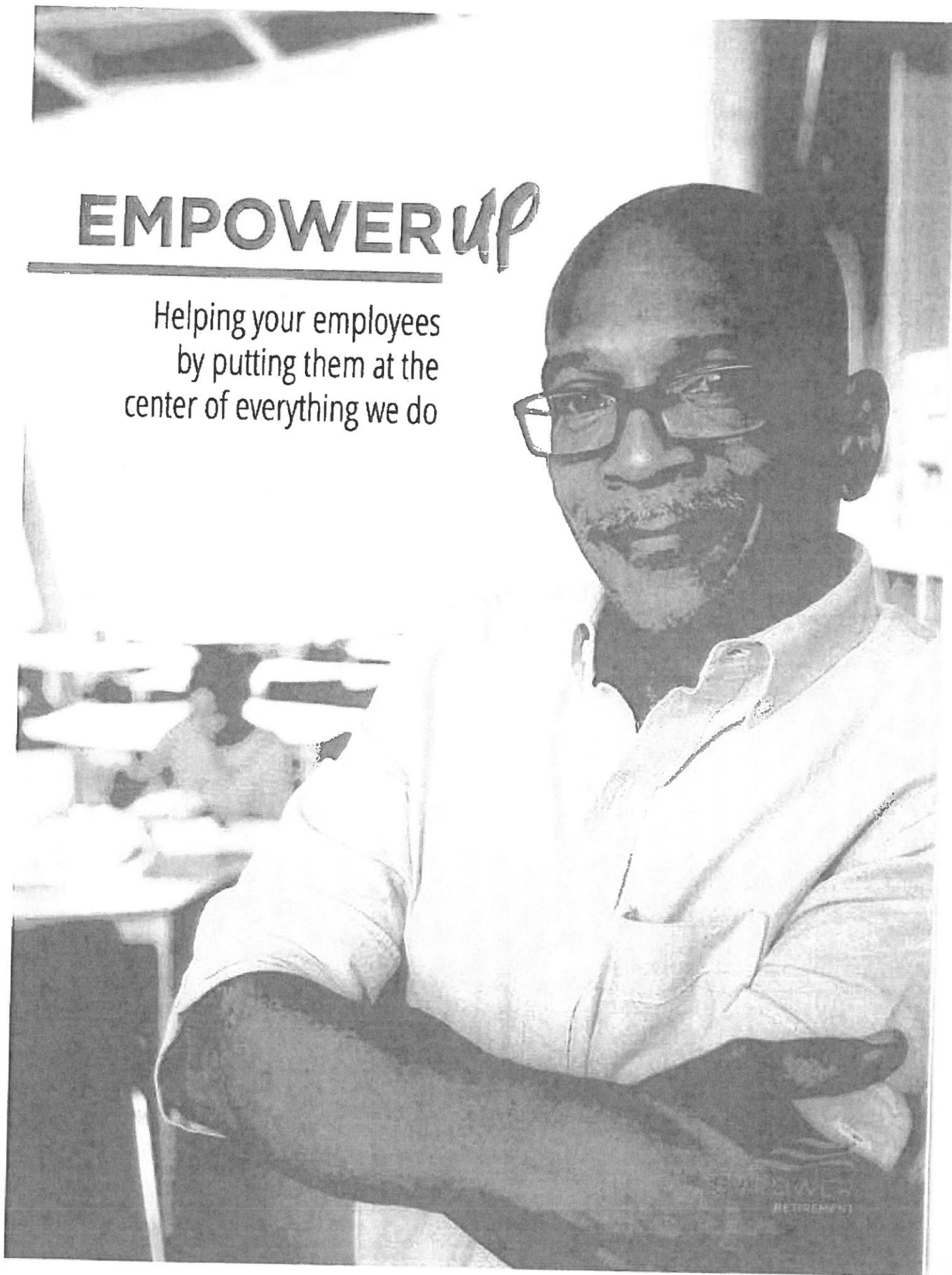
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# EMPOWERUP

Helping your employees  
by putting them at the  
center of everything we do



The pursuit of a better future starts

*here and now*

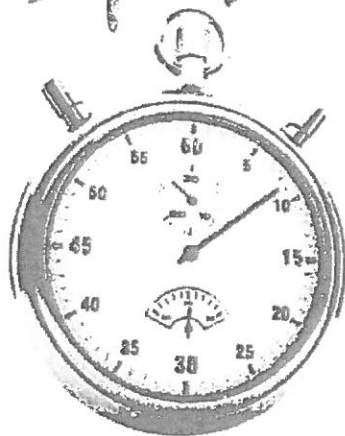
**From the moment your employees enroll** to the day they retire and beyond, we're making it easier for them to take smart steps to increase savings, invest wisely, manage their budgets, plan for healthcare and consider their entire financial situation as they pursue the future they imagine. EmpowerUp can help your employees:

**See the big picture • Benefit from personalization • Take control of their finances**

**EMPOWERUP**

---

Seeing the *big picture* inspires employees to act



**1min 20sec**

Actual time to complete enrollment<sup>1</sup>

On an ongoing basis:

**33%**  
change their deferral rate<sup>2</sup>

**45%**  
savings rate increase<sup>2</sup>

*a personalized* approach to communications  
increases engagement<sup>3</sup>

**6x**

more likely to engage  
when communications  
are personalized

**2 out of 3**

participants who meet with us take positive  
action to start saving more<sup>11</sup>

**26%**

check their projected retirement income

*greater control*

increases financial well-being  
and productivity

**84%**

of plan sponsors believe encouraging  
financial wellness is the right thing to do<sup>4</sup>

**\$82.90**

On average, employees engaged in our financial wellness  
program add \$82.90 per paycheck to their personal savings<sup>5</sup>

<sup>1</sup> Based on enrollment data for the period January 1, 2013, through September 30, 2016.

<sup>2</sup> Based on participant website usage data for the period January 1, 2017, through December 31, 2017. Users are defined as participants who logged on to the website and moved the deferral rate slider at least once.

<sup>3</sup> Empower Retirement proprietary research conducted March 23, 2017, through September 17, 2017. Campaign participants of client plans in pilot (8,149 individuals) versus matched control group (6,991 individuals).

<sup>4</sup> 2017 Hot Topics in Retirement and Financial Well-Being; AON Empower results.

<sup>5</sup> Empower Savings & Bill Manager service as of May 17, 2018.

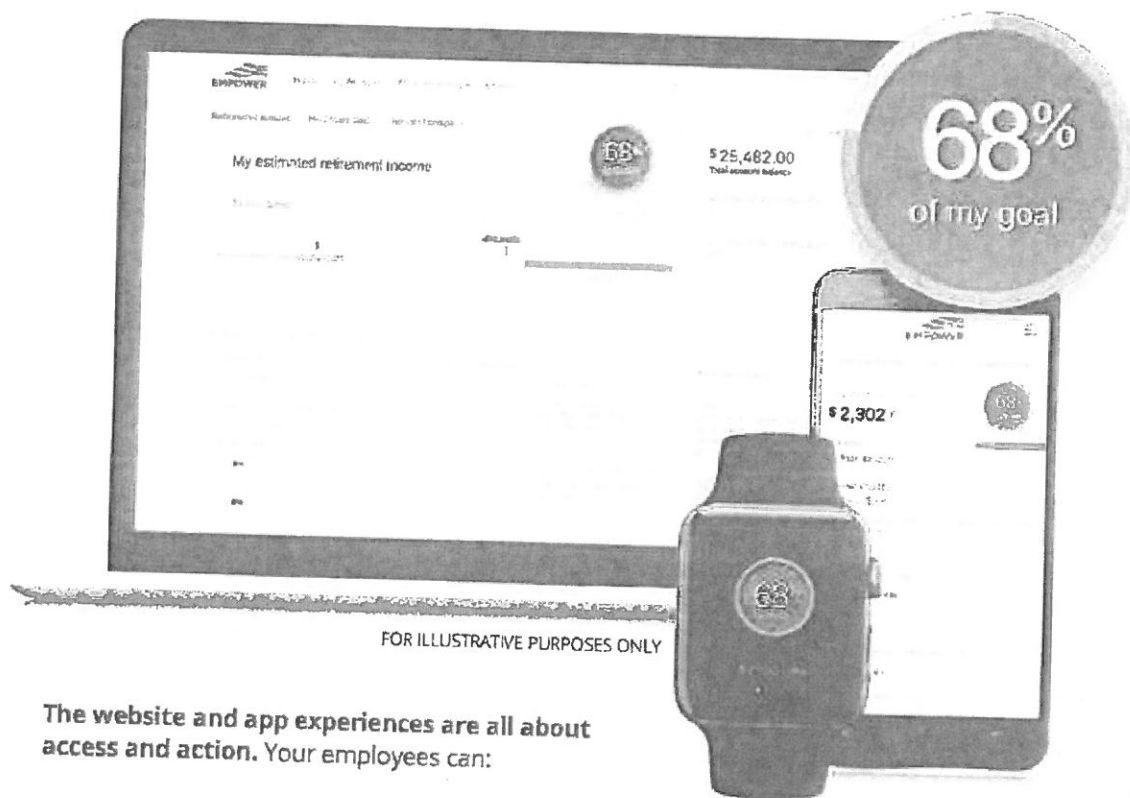


# EmpowerUp helps employees see the *big picture*

We believe giving your employees a view of their entire retirement picture, including their projected retirement income, leads to greater engagement, more savings and better retirement outcomes.

## Look into the future

An employee's projected retirement income, including pensions, is the focal point of the website experience and the first thing they see when they log in. An employee can easily view what percentage of their estimated income they are on track to replace and what their monthly retirement paycheck might look like — and instantly make adjustments that can change their estimated future income.

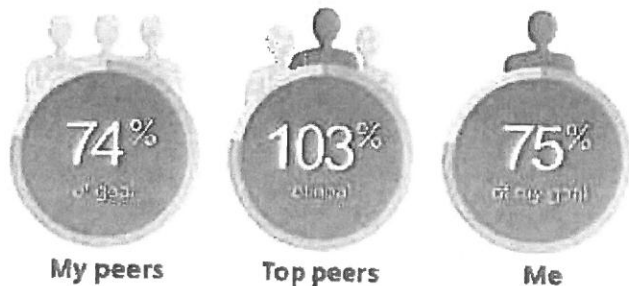


The website and app experiences are all about access and action. Your employees can:

- Enroll in seconds.
- View their projected retirement income.
- Compare their savings to others'.
- Estimate retirement healthcare costs.
- Adjust contributions.
- Rebalance their portfolio.
- Account for outside assets.
- Get updates and confirmations.

## Compare their savings

We do whatever we can to encourage better savings habits, and this simple feature does just that. Allowing your employees to see how their savings stack up against their peers' savings encourages them to save more and improve their standing.



\$216	Doctors & Tests (Part A & B)
\$183	Prescription Drugs (Part D)
\$168	Medicare Supplemental
\$29	Dental Insurance

## View estimated healthcare costs

Healthcare and medical expenses are among the largest expenses your employees could face in retirement. Even if your employees will have access to a healthcare plan after they retire, the Empower Health Cost Estimator can give them insight into the impact rising healthcare costs may have on their retirement income so they can make adjustments now instead of being caught off guard later.

## See the full picture, including additional savings accounts

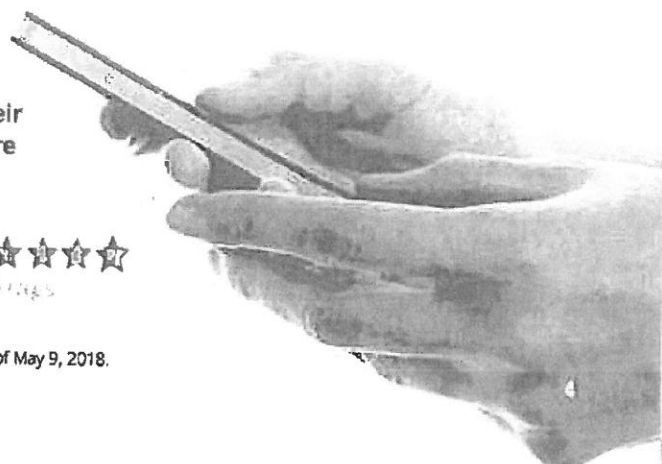
Account aggregation automatically updates assets from additional savings accounts, including pensions, and integrates them into an employee's retirement income projection in real time.

Employees can register their account anytime, anywhere from their mobile device



4.6 ★★★★★  
5.5k ratings

6 Apple Store app ratings and reviews as of May 9, 2018.



# EmpowerUp helps employees benefit from *personalization*

Making a one-to-one connection with your employees helps them feel more confident they're doing what's right for them. From the way we communicate to the solutions we offer, we try to make sure each employee gets the attention they deserve.

## One-to-one communications

We speak to your employees in ways that matter to them. EmpowerUp incorporates messaging that is not only timely, relevant and tailored to your employees' needs but inspires them to take action.

## Experienced professional consultation

Licensed, experienced professionals can help your employees consolidate assets from existing retirement plans, explore new investment strategies or access professional advice.

As with any financial decision, employees are encouraged to discuss moving money between accounts, including rollovers, with a financial advisor and to consider costs, risks, investment options and limitations prior to investing.

## Professionally designed retirement strategy

Everyone likes getting special attention. My Total Retirement™ offers employees the special attention they deserve. When an employee enrolls, investment professionals create a retirement strategy specifically for them, make changes when needed, and provide advice to and through retirement.<sup>7</sup>

**My** Total Retirement™





## Dynamic Retirement Manager™

Because your employees' needs change over time, Empower Dynamic Retirement Manager™ offers younger employees the convenience of a target date fund and automatically transitions them to My Total Retirement later when they may be looking for a more diversified strategy — one that may help address the variables that once didn't exist in their life.<sup>8</sup>

A personalized plan can help employees maximize their retirement income

### INVESTMENTS

**63%**

Less variation in returns for managed account users vs. do-it-yourself investors

**MORE CONSISTENT RETURNS<sup>9</sup>**

### INCOME

**23%**

Estimated income in retirement compared to standard withdrawal strategy of 4% (adjusted for inflation)<sup>10</sup>

**MORE INCOME IN RETIREMENT<sup>10</sup>**



## Get real help from real people

2 out of 3 participants who meet with us take positive action to start saving more<sup>11</sup>. On-site educational sessions are offered in a variety of formats from face-to-face group sessions to one-on-one consultations to webinars and videos.

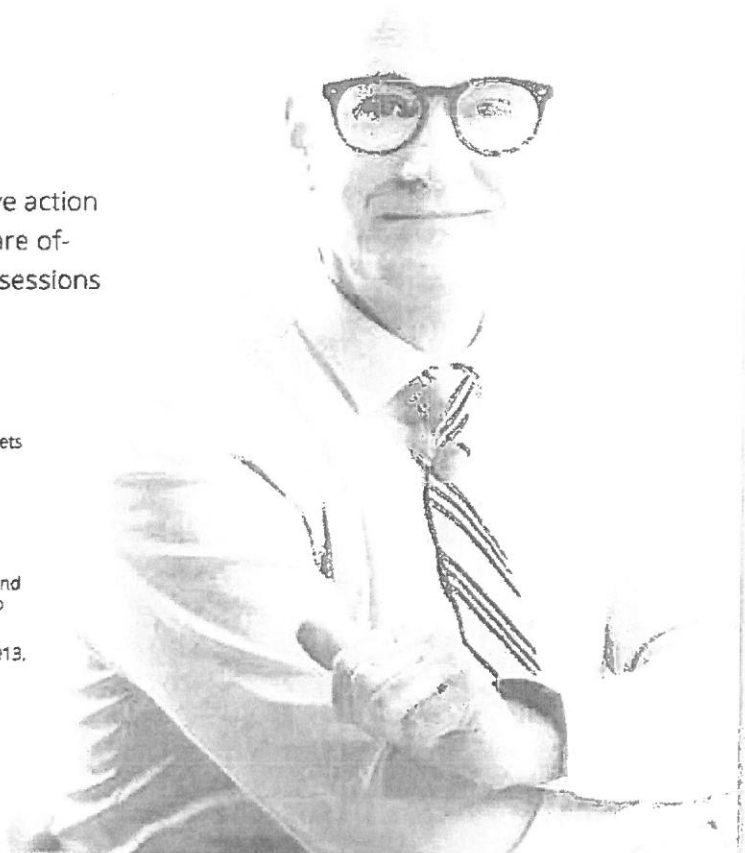
<sup>7</sup> My Total Retirement™ refers to the managed account services available in the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC (AAG), a registered investment adviser.

<sup>8</sup> The managed account service offered through Dynamic Retirement Manager™ is provided by AAG.

<sup>9</sup> Advised Assets Group, LLC (AAG), Internal Rate of Return (IROR) All Segments Study, 2017. The participant return distribution included in this study is used to illustrate the difference between those participants within the 90th percentile and the 10th percentile to preserve statistical integrity of the data reported. Refer to the study for additional disclosures and methodologies.

<sup>10</sup> Morningstar Investment Management, LLC, Alpha, Beta, and Now ... Gamma, 2013.

<sup>11</sup> Internal data for government plans as of 10/1/2017



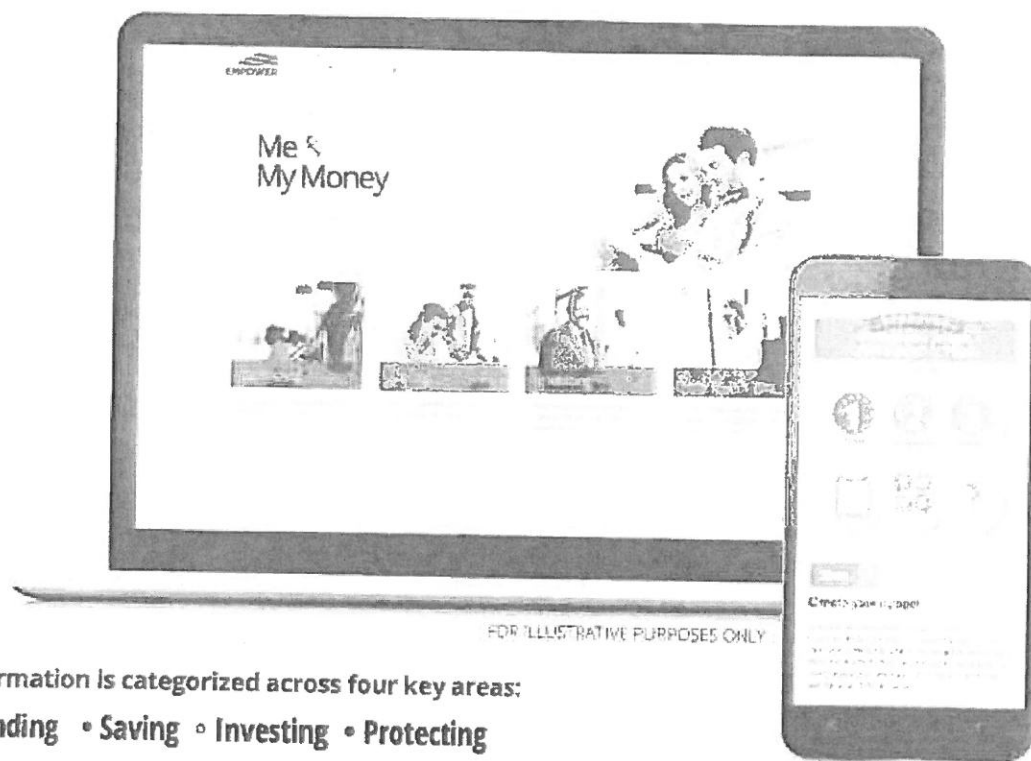


# EmpowerUp helps employees manage their finances and *Take control*

One of the biggest goals of EmpowerUp is to help your employees take control of their finances. An employee who has their finances under control isn't just in a better position to save for retirement — they're better positioned to be a more productive employee.

## Helpful financial education

Many people are uncomfortable talking about financial matters. At the same time, it's important to tackle these issues head on. Me & My Money is designed to help your employees deal with financial stress and distractions that could result in reduced productivity, increased health-related costs, delayed retirement and other factors that affect the workplace.



FOR ILLUSTRATIVE PURPOSES ONLY

Information is categorized across four key areas:

**Spending • Saving • Investing • Protecting**

Our wellness and financial center offers valuable information and resources, including calculators that can help your employees manage their day-to-day finances more effectively.

## **Retirement plan advisors give your employees confidence**

With a sole focus on promoting your plan and encouraging your employees to take positive actions, retirement plan advisors can be trusted partners who get to know the details of your benefit programs, including pensions, to help your employees understand their whole retirement picture and make the informed decisions for their personal goals.

Retirement plan advisors provide on-site retirement readiness reviews, offer one-on-one service and can deliver specific fund and saving recommendations. If needed, they can also act in a fiduciary capacity in compliance with applicable Department of Labor regulations.

### **Retirement plan advisors offer employees comprehensive advice**

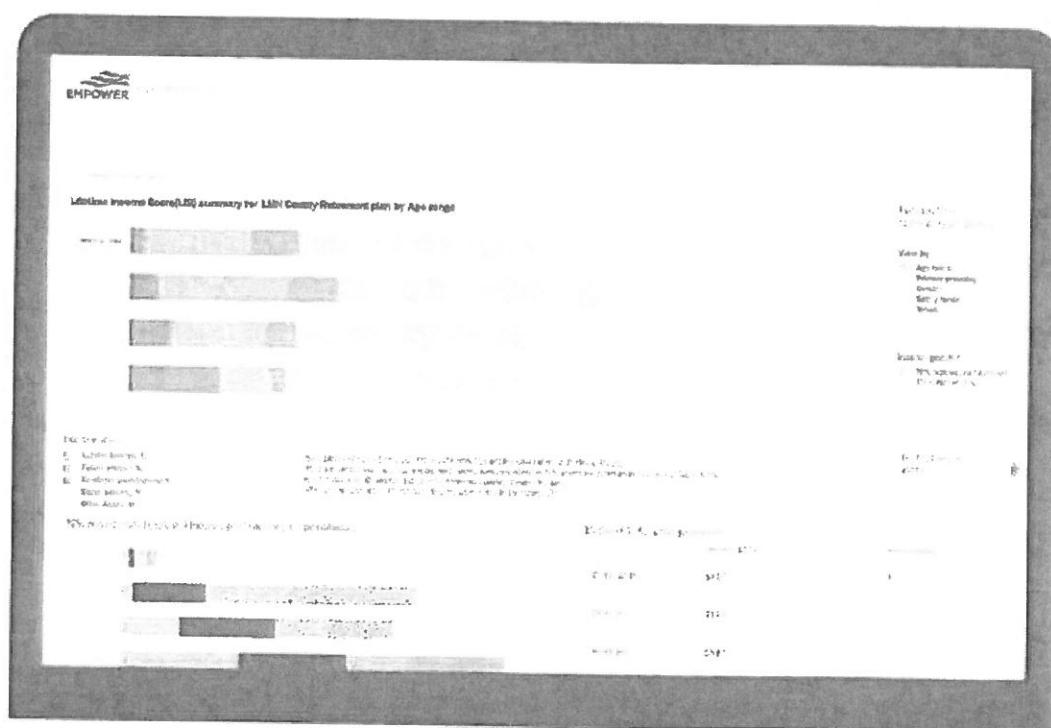
- How much to contribute based on current salary, expenses and savings.
- How to invest retirement savings.
- When employees might want to consider beginning distributions.
- How to draw down benefits, focusing on an appropriate spend-down strategy.



# Follow your employees' progress as they **EMPOWERUP**

As the largest provider of government deferred compensation plans<sup>11</sup>, we know what it takes to get results. Our innovative technology platform provides you with tools that are designed to help improve plan results. Access a comprehensive view of your plan's relevant information and discover what happens when your employees can:

See the big picture | Benefit from personalization | Take control of their finances



FOR ILLUSTRATIVE PURPOSES ONLY



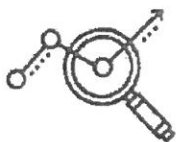
## Lifetime Income Score<sup>SM</sup>

The Empower Lifetime Income Score<sup>SM</sup> is a powerful measure of your employees' retirement readiness. It also allows you to segment audiences by age, tenure and geographic location to determine who may have the greatest need for increased education.



### **Plan analytics**

Plan analytics detail participation rates, deferral rates and average account balances so you can assess the health of your plan and work with us on plan enhancements.



### **On-demand reporting and testing**

On-demand reporting and testing allow you to measure success and identify areas of focus.



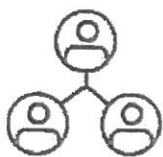
### **Investment monitoring tool**

Provides details on each fund held in the plan, including performance data, participant assets and important details.



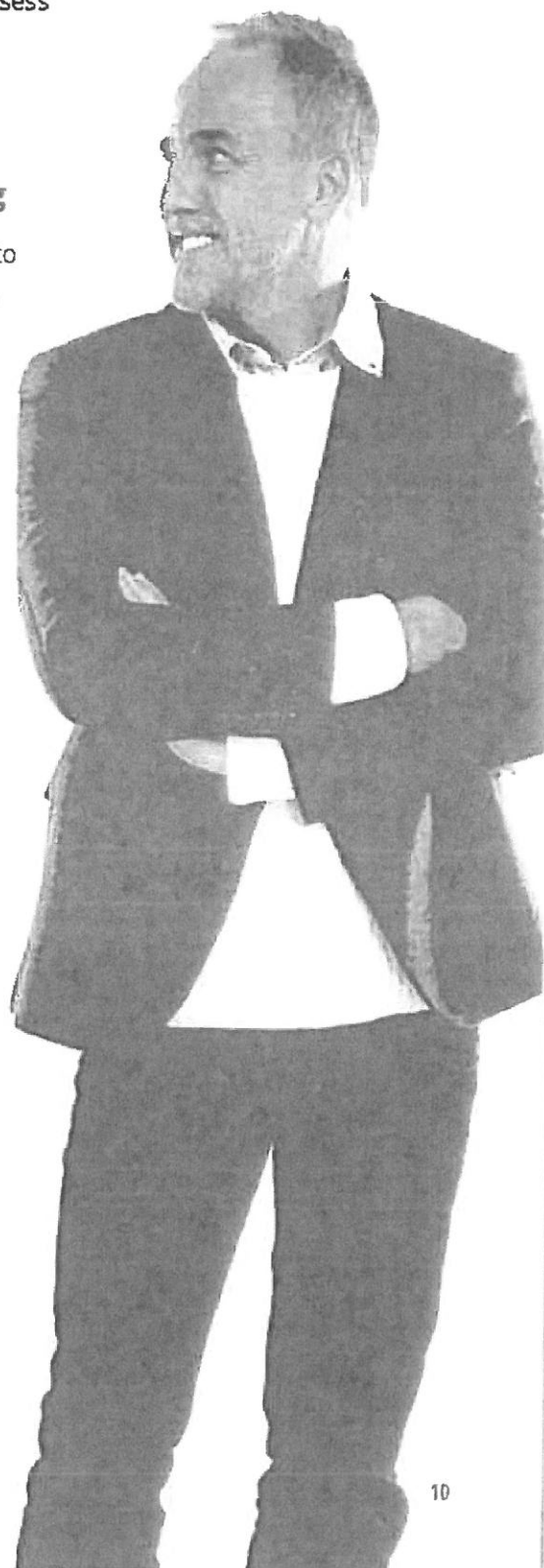
### **Fiduciary archive**

Maintains a complete record of all plan-related developments, providing protection to plan fiduciaries.



### **Detailed participant overview**

Includes an account emulation feature that allows you to see exactly what your employees see. You can also view your employees' interactions with the Empower service team.





Talk with your **Empower representative** to learn more about how **EmpowerUp** can benefit both **you** and **your employees**



# Financial Footnotes

[www.wvteachersdcp.com](http://www.wvteachersdcp.com)

(888) WVTEACH (888-988-3224)



## GIVE YOUR PORTFOLIO A SPRING CLEANING

After tax season is over may be an ideal time to take a closer look at your financial structure and tidy up where needed. Here's a checklist of key considerations to help you get started.

**Asset Allocation.** Does your current asset allocation — the mix of securities in your investment portfolio — still match your risk tolerance and time horizon? Stock market performance over the past few years may have altered the value of your stock holdings above or below the level you had originally intended. If so, consider rebalancing either by redirecting future contributions of some of your stock or bond investments or by purchasing more stock, bond or cash investments.<sup>1</sup>

**Retirement Savings.** Rather than just hoping you'll have enough for a comfortable retirement, take some time to calculate how much you'll need — and how much you may need to save. You may want to consult a financial professional to help you establish an accumulation goal and ensure you're on course to reach it.

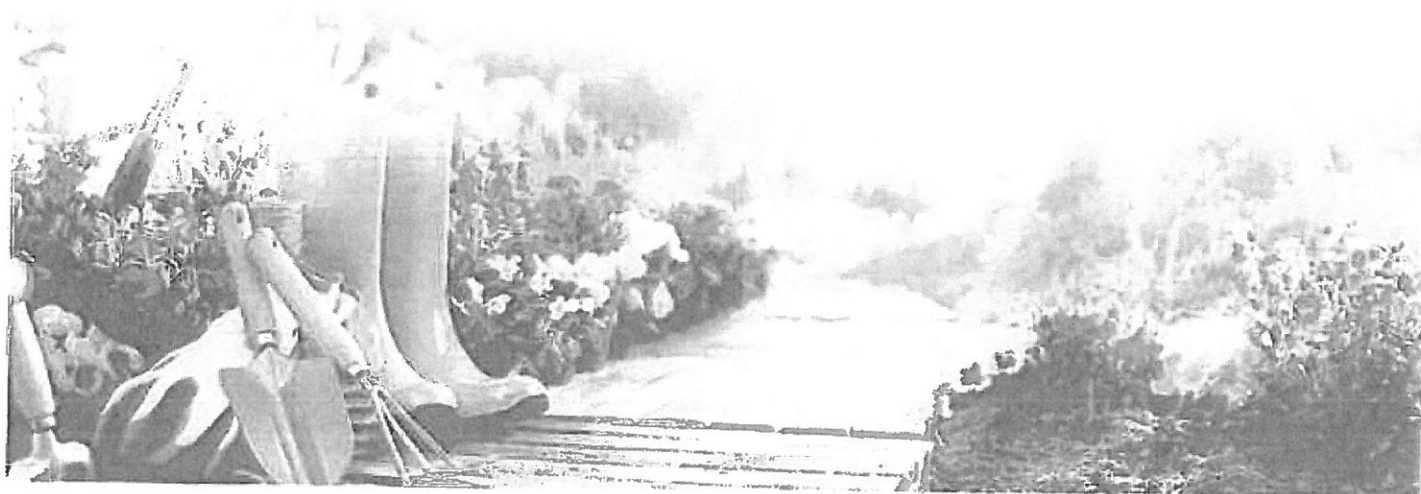
**Insurance.** Insurance can help protect you and your loved ones from the costs of accidents, illness, disability and death. It's generally an important part of any sound financial plan. However, your individual need for coverage will depend on your personal circumstances, including your age, family and financial situation.

**Estate Planning.** You may not enjoy thinking about what will happen after you're gone, but failing to plan could cost your family and loved ones. A sound estate plan may help preserve your assets and keep them from being unnecessarily reduced by taxes. An estate typically includes an up-to-date will and may make use of tools for charitable giving and joint ownership of property.

**Debt Management.** While you're putting the rest of your financial plan in order, don't neglect credit card balances or other outstanding debt. Consider ways to either reduce your debt or manage it more effectively. For example, you might be able to save on interest charges by transferring your credit card balance(s) or refinancing your mortgage if conditions allow.

Your financial house is a complex structure that needs regular upkeep. By staying on top of things and keeping your financial house in order, you may help increase the potential that you are on track to reaching your goals.

<sup>1</sup> Asset allocation, rebalancing and diversification do not assure a profit or protect against a loss. Bonds are subject to market and interest rate risk if sold prior to maturity. Investing in stocks involves risks, including loss of principal.



## ASSET ALLOCATION: KEEPING YOUR BALANCE

Maintaining a portfolio with a mix of stocks and bonds that suits your risk tolerance and time horizon, a practice known as asset allocation, has been a fundamental tenet of investing for a long time. Although asset allocation does not assure a profit or protect against loss in a declining market, investors who base their investment strategy on a target asset allocation may find it easier to stick with it when the stock market experiences significant ups and downs.

One reason may be that the balance of stocks and bonds helps investors avoid significant losses. Stocks and bonds historically have not moved in tandem in response to economic or market developments, although past performance does not guarantee future results.

### POINTS TO CONSIDER

When deciding on a target asset allocation, it may be helpful to consider your risk tolerance and time horizon. Stocks historically have exhibited more short-term ups and downs compared with bonds and other more conservative investments.<sup>2</sup> Because of this historical trend, a larger allocation to stocks may be appropriate for those who plan to remain invested for the long term and who can tolerate short-term swings in value. Those who may need to access their money in the short term may want to consider a greater emphasis on more conservative investments with the goal of preserving principal.

In addition, feelings about risk also come into play. Some individuals are uncomfortable with investment risk, which is the possibility that the value of their portfolio could decline. Historically, many investors with a low tolerance for investment risk have allocated a larger portion of their portfolios to bonds or cash alternatives. It's important to remember, though, that these more conservative investments also carry some risk. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and are subject to availability and change in price.

Risk is part of investing, and it's important to understand the potential upside and the potential downside of every investment. That said, a balanced portfolio, either with one balanced fund or with a mix of funds designed to pursue a target allocation, may help you stay focused, even when Wall Street seas are choppy.

<sup>2</sup> Sources: Standard & Poor's, Barclays Capital. Stocks are represented by the S&P 500, investment-grade bonds by the Barclays Capital Aggregate Bond Index. Past performance does not guarantee future results.





## WHO IS YOUR BENEFICIARY?

Good planning takes into account both the expected and the unexpected. By building your nest egg, you're planning for the comfortable retirement you always hoped for. All it takes to plan for the unfortunate event that something unexpected happens on the way to retirement is to name beneficiaries for all your investments. While it may seem easy to overlook now, the effort may be greatly appreciated by your heirs.

By naming a beneficiary, you're ensuring that your money goes where you want it to go when you die.

You may choose to name more than one beneficiary for a particular account. However, you will need to specify the percentage each beneficiary is to receive. If you don't, your assets will be divided equally among your designees. Perhaps your spouse has already passed on, or maybe your spouse's net worth exceeds the federal estate tax exclusion. In that case, it may be wise to select another individual — say a child, another relative, or a friend — to receive your assets upon your death.

Keep in mind, your gift may come at a price. Those who inherit your account will be assessed income tax on the amount you leave them. Of course, Uncle Sam would not hit a beneficiary in a lower federal income tax bracket as hard.

Once you name a beneficiary, you may want to review your selection from time to time, perhaps at major life changes like marriage, divorce, or the birth of a child. As your situation changes, you may find that a new beneficiary is appropriate. Consult a financial advisor or qualified estate planner for more information on naming beneficiaries.



## ARE WOMEN BETTER INVESTORS?

Does your mental image of a savvy investor have a gender bias? If you automatically think of a man when you imagine an effective investor, you may need to think again. Some recent studies have found that the portfolios of female investors have outperformed those of men over the last several years.<sup>3</sup> One expert speculates that the reason may be that men are more likely to make frequent trades, while women tend to focus on long-term goals and investing strategies.<sup>3</sup>

The statistics also show that 55% of women expect a comfortable retirement compared to 68% of men.<sup>4</sup> In other words, women appear to be less confident about reaching their retirement goals, which could be motivating them to embrace a long-term strategy and the investing behaviors that come with it.

Whether women or men deserve the bragging rights in the area of investing isn't the issue. Ultimately, we all have the same goal of building the retirement income we'll need to live the lives we want. Regularly increasing the amount you save for retirement and monitoring the asset allocation of your chosen mix of investments can be smart tactics — whatever your demographic details.

If you have questions on how to become a more informed, more prepared investor, schedule some time with your local plan representative.

<sup>3</sup> March 8, 2017: Fresh evidence women are better investors than men: [money.cnn.com/2017/03/08/investing/women-better-investors-than-men/index.html](http://money.cnn.com/2017/03/08/investing/women-better-investors-than-men/index.html)

<sup>4</sup> July 22, 2017: Retirement planning for women: [investmentnews.com/article/20170722/FREE/170729987/retirement-planning-for-women](http://investmentnews.com/article/20170722/FREE/170729987/retirement-planning-for-women)

Asset allocation does not ensure a profit and does not protect against loss in declining markets.

## AFTER RETIREMENT: WHY STAYING IN YOUR PLAN IS A GOOD OPTION

Don't let the fact that you've retired or are nearing retirement automatically signal the end of your savings in your WV Teachers' Defined Contribution Retirement System (TDC Plan). While some employees assume that retirement automatically triggers withdrawal from their plan and the beginning of disbursements, there are other options. Staying with your existing plan may be the best plan of all — especially when the alternatives may be broker accounts with higher fees, greater risk and fewer services. Why stay in your current plan? Consider the following:

Many retirees or near-retirees make the decision to roll over their existing deferred compensation defined contribution savings into a brokerage account. But before you do, there's a good chance that your existing plans have a lower fee structure by comparison — while still affording you the benefits of professionally managed investments.

**Accumulated earnings.** Your account may not stop growing after you retire. Leaving your savings balance in the plan allows your assets the potential to earn compound interest on a tax-deferred basis.

**Roll over options.** Your employer may offer a qualified post-retirement plan, into which you may roll over and consolidate assets from different retirement accounts. This option may also unify the services and statements you receive — which helps keep things simple in retirement.

**Flexibility with disbursements.** Disbursements from your plan don't have to be one-size-fits all. You may choose from a variety of distribution options to suit your financial requirements, including periodic payments and partial withdrawals. You may also be allowed to change your distribution arrangement numerous times to meet your needs.

**Staying in your plan.** Staying in your plan likely means the ability to keep access to your account management tools, such as websites and customer service lines that allow you to check balances, manage investments and access financial education information.

As you approach retirement, consider staying on as a plan participant. Talk to your plan sponsor about the option that will best help you meet your personal and financial goals. You are also 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.



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# Financial Footnotes

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## HOW DO YOU DEFINE "WEALTH"?

Do you consider yourself to be wealthy? Do you think of wealth in terms of a dollar amount, peace of mind or some other factor? And do characteristics such as your gender play a role in how you define wealth? These are important questions, because our personal definition of wealth could influence how we save and invest for retirement.

### YOUR GENDER MAY MATTER

According to a recent survey, women and men can have different views on the topic of wealth. When asked whether they'd prefer never having to worry about money in the future or having the ability to buy whatever they want right now, 84% of women said they'd prefer peace of mind, versus 78% of men.<sup>1</sup> More than 60% of women surveyed value good physical health over money.<sup>1</sup>

In fact, only 11% of respondents to another recent survey said that they believe the American dream is tied to money.<sup>2</sup> However, while we may not always define wealth in financial terms, we tend to set the bar high when we put a dollar amount on the concept. The average amount that survey respondents say is required to be considered wealthy is around \$2.4 million, which is almost 30 times the net worth of U.S. households.<sup>1</sup>

Why do these statistics matter? The way we define wealth can influence how we prepare for our future. If you see being wealthy as an unreachable financial goal, you may be discouraged from saving for retirement at all. If you measure wealth in terms of security, health, family relationships, comfort or any other non-financial factor, you may underestimate the importance of saving actual money for retirement.

A wise person once said, "He is richest who is content with least." In other words, wealth isn't always a matter of how much you have. Instead, it's partly determined by your mindset. That can be a good attitude to maintain, but don't let it prevent you from saving and investing for your future. Even if you define wealth in non-financial terms, you'll still need to pay for things like housing, healthcare, food and clothing during your retirement years. Your employer-sponsored retirement savings plan can help you do exactly that.

The takeaway: Saving for retirement isn't a competition to see who can build the biggest nest egg. Instead, it's a way to provide you with some of the income you may need to live the life you want, however you personally define "wealth."

1 CNNMoney, What 'wealth' means to women, September 6, 2017: <http://money.cnn.com/2017/09/06/pt/women-wealth-money/index.html>

2 Business Insider, Forget wealth – the 'American dream' is now about family, November 9, 2017 <http://www.businessinsider.com/forget-wealth-the-american-dream-is-now-about-family-2017-11>







## MARKET VOLATILITY

### SURVIVING MARKET TURBULENCE

Most stock market investors are looking for the same result: strong and steady gains of their investments. Dealing with a period of sustained falling stock prices is not easy. All too often, investors react to a sharp drop in prices by panic selling or digging in their heels despite deteriorating fundamentals. But more thoughtful investors may see a correction or downturn as an opportunity to review the risks in their portfolios and make adjustments where necessary.

When confronted with any adverse market event – whether it is a one-day blip, a more lengthy market correction (a decline of 10% to 20%), or a prolonged bear market (a decline of more than 20%) – take time to review your portfolio. Dealing with volatility can be difficult. Here are some considerations to help you and your portfolio survive market turbulence.

Keep a long-term perspective. The only certainty about the stock market is this: It will always experience ups and downs. That's why it's important to keep emotions in check and stay focused on your financial goals. A buy-and-hold strategy – making an

investment and then holding on to it despite short-term market moves – can help. The opposite of buy-and-hold investing is market timing – buying and selling investments based on what you think the market will do next. Market timing, as many investment professionals will tell you, may be risky. If your predictions are wrong, you could invest when the market is on its way down or sell when it's on its way up. In other words, you risk locking in a loss or missing the market's best days.

Crisis events highlight the importance of knowing where your assets are and maintaining organized financial records. Following the September 11, 2001, terrorist attacks, markets closed for several days and many records in the heart of New York City's financial district were destroyed. Yet the nation's financial systems were up and running in a matter of days, and your securities accounts were safe even when the stock exchanges were closed. While you cannot trade investments or access your assets during

a market shutdown, securities firms maintain backup facilities and have contingency plans to help them service customers when trading resumes.

A financial professional can help you separate emotionally driven decisions from those based on your goals, time horizon, and risk tolerance. Researchers in the field of behavioral finance have found that emotions often lead investors to read too much into recent events even though those events may not reflect long-term realities. With the aid of a financial professional, you can sort through these distinctions, and you'll likely find that if your investment strategy made sense before the crisis, it will still make sense afterward.

It's important to remember that periods of falling prices are a natural part of investing in the stock market. While some investors will use a variety of trading tools, including individual stock and stock index options, to hedge their portfolios against a sudden drop in the market, perhaps the best move you can make is reevaluating and limiting your overall risk position.

## HIGHER EDUCATION

### TEACH YOUR CHILDREN TO SAVE FOR COLLEGE

Being part of the college planning process can be very educational for children, as it presents them with valuable financial lessons for the future. Children can earn money, learn about sources of financial aid, research potential colleges, and take other steps that may relieve their parents of some of the responsibility of college planning.

### GET AN EARLY START

Most children don't make plans for their higher education until they are well into high school, but the foundation for saving and planning for college can take place much earlier. Many financial experts believe the best time to introduce children to college planning is when they are in the sixth, seventh or eighth grade. During this time, you may want to initiate discussions about college and explain the importance of developing good study habits and getting involved in extracurricular activities – to instill the idea that your family supports higher education.

You may also want to encourage your children to begin thinking about the career they would like to pursue, which is likely to influence their choice of college, as well as to establish a savings account that could be earmarked for education expenses. In addition, you can teach basic lessons about compounding, investing, and other money management issues.

### COLLEGE PLANNING BEGINS IN HIGH SCHOOL

By the time they reach high school, many students are mature enough to plan for college at a deeper level, including the following.

Students may gain a deeper appreciation of their family's financial sacrifices

when they realize how expensive college is. They can learn about college costs from a number of sources, including the College Board and the U.S. Department of Education.

**Researching opportunities.** There are numerous websites with information about sources of financial aid. For example, Fastweb and FinAid contain search engines with data about thousands of scholarships with varying eligibility criteria. In addition, The Federal Student Aid site provides an overview of federal student aid programs. Also, local libraries and high school guidance offices may have information about state-sponsored aid programs and scholarships sponsored by local organizations.

High school students can set aside a portion of their wages from part-time or summer jobs for higher education expenses. Also, students may be able to obtain jobs that build on career interests as a way of solidifying their future plans.

College planning encompasses numerous details, including visiting institutions that a student may want to attend, applying for financial aid, obtaining transcripts and letters of recommendation, and meeting deadlines. A high school student can take responsibility for making sure that important matters are tended to ahead of time. For example, if a student has a school vacation coming up, he or she could help organize a family trip to visit colleges of interest or spend some time completing college applications.

You and your prospective student may be able to think of more ideas that could add value to your family's efforts to save for a college education. Getting your budding scholar involved in the process – financially and otherwise – could ultimately be a pivotal lesson in responsibility that impacts his or her later success in life.



## RETIREMENT MILESTONES

### CAREER CHANGES AND RETIREMENT

Gone are the days when you landed a job and stayed in it for 30 years. Today, it's normal for people to change jobs several times, or even make mid-life career changes that take them in a whole new direction. No matter where your career takes you, it's important for your retirement savings to follow.

When you take a new job, you typically have three options<sup>3</sup>:

1. Leave the money in the plan of the company you're leaving.
2. Roll the money into your new employer's plan or an IRA.
3. Take the money out in a cash distribution.<sup>4</sup>

While it's tempting to go with option 3, consider the following:

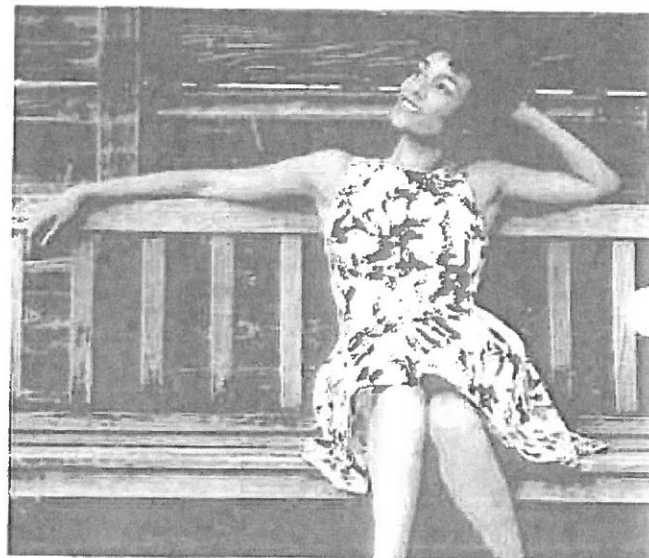
If you take your tax-deferred money in cash, it will be treated as ordinary income. Your plan withholds 20% of the amount you requested and sends it to Uncle Sam to cover the income tax you owe for that year. However, if 20% isn't enough, you may need to write a check for the difference at tax time. And that doesn't even cover state or local taxes. If you are under age 59½ when you take a distribution, the federal government takes an additional 10% for premature distribution – bringing your total tax bill to 30% or more.

The more time your money spends in a plan, the longer it has the potential to grow. The dollars you invest when you are 25 could grow for 40 years. If you take the cash and spend it, you may miss out on years of compounding interest.

When you're ready to change jobs or careers, talk to a financial advisor to make sure your retirement savings stays with you on the journey. 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.

<sup>3</sup> Neither Empower Retirement nor its subsidiaries or affiliates provide tax, legal, accounting and/or investment advice. Please consult your tax advisor or attorney for such guidance.

<sup>4</sup> Withdrawals may be subject to ordinary income tax. Withdrawals made prior to age 59½ may incur a 10% early withdrawal penalty.



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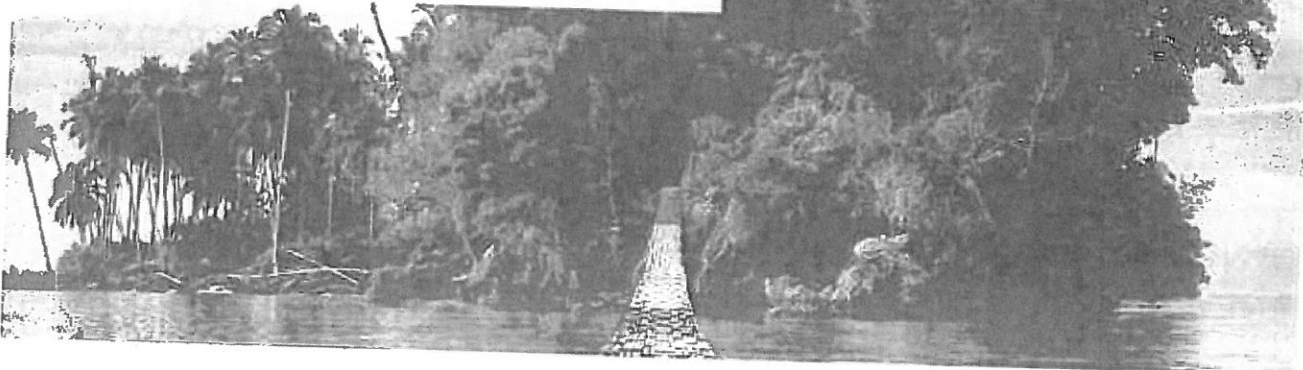
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## West Virginia

### Teachers' Defined Contribution Retirement System



WEST VIRGINIA TEACHERS' DCP  
NEWSLETTER | JULY 2019

# Mid-year retirement resolution **reality check**

Many of us have firsthand experience with how difficult it can be to stick to our New Year's resolutions. And financial resolutions in particular seem to be difficult to maintain. **A recent survey** found that 74% of Americans who made financial resolutions last year broke them in less than six months, and 21% gave up in less than two weeks.<sup>1</sup>

According to one psychologist who specializes in behavioral modification and motivation, some of the strategies that can help you stick to your resolutions include:<sup>2</sup>

- Clearly define your goals.
- Track your progress.
- Have patience.

Let's take a closer look at each one. **First**, you need to narrow down your resolution to a specific action instead of a vague intention. In terms of your retirement preparations, this can mean choosing to learn more about concepts like asset allocation and investment risk through your West Virginia Teachers' Defined Contribution System (TDC Plan). **Next**, tracking your progress is important because it can help you stay motivated. This could involve resolving to review and compare the account statements you receive or choosing to log in to your online account at [wvteachersdcp.com](http://wvteachersdcp.com) on a regular basis. **Finally**, having patience is essential with a retirement resolution because achieving your retirement goals is a long-term process. Over time, small changes in your saving and investing habits can ultimately have a big impact – but you won't see results overnight.

When it comes to sticking with your retirement savings resolutions, there's good news. Your West Virginia Teachers' Defined Contribution System (TDC Plan) can help make it a little easier. It offers the tools and education to help you define realistic goals. It gives you the information to help you track your progress. And it can help you stay focused on your long-term goals.

Mid-year retirement  
resolution reality check

Article One

Boomers, Gen Xers and  
Millennials: Different  
Generations, same  
retirement goal

Article Two

Three things  
to remember in  
volatile markets

Article Four

Stay in the know when  
you're on the go



# Boomers, Gen Xers and Millennials: Different generations, same retirement goal

*People from different generations can see the world differently. What matters to someone born in the '50s may not seem as important to someone born in the '90s – and vice versa. Whatever our age, though, one thing we can all agree on is a desire for a more comfortable future.*

## FOR THE MILLENNIAL

Millennials are in a great position to have a big impact on their future retirement finances, thanks to the potential effects of regular saving and investing over decades. One study has found that 66% of millennials have nothing saved for retirement – which may not be surprising for people early in their career and often saddled with student loans and other debt.<sup>3</sup> Some suggested to-dos for a millennial retirement saver include:

- Choose a mix of investments with the balance of risk and return appropriate to your goals and risk tolerance.
- Build up a foundation of basic financial knowledge to help you make sound decisions about your future.

## FOR THE GEN XER

An estimated 40% of Gen Xers do not have a strategy for retirement.<sup>4</sup> A good tip to get the Gen Xer focused on the future:

- Check and adjust asset allocation (if needed) to keep pace with your changing risk tolerance.

## FOR THE BABY BOOMER

As many as 42% of baby boomers haven't started saving for retirement, and the growth in bankruptcy filings among those 65 or older hints that boomer finances may not be as solid as many would have hoped.<sup>5,6</sup> The good news is that there's still time to make an impact on your retirement readiness with the following suggestions:

- Start thinking about a spend-down plan for the retirement assets you've accumulated and how different retirement income sources could work together in the most advantageous way.
- Get to know your distribution options – and the advantages of keeping your West Virginia Teachers' Defined Contribution System (TDC Plan) account after you retire.

We may have different tastes in music, food and fashion, but there's no generation gap when it comes to wanting a better retirement. **The future is waiting for all of us.**



## Three things to remember in **volatile markets**

Big swings in the stock market can raise a lot of questions for the average retirement saver: Should I stop contributing to my account? Should I move my money out of stock funds until the market recovers? Is the stress of watching my account balance change during a volatile market worth it? If you find yourself asking these and other questions while the markets bounce up and down, you may want to keep in mind the following:

- **Keep perspective** – Saving and investing for retirement can be a decades-long process. During that time, market swings are almost inevitable. Markets have always moved up and down – often drastically. In the short term, you may see your account balance rise or fall. However, fundamentals such as consistent contributions to your account, investment diversification and ongoing risk management based on your planned retirement date can help keep you on course.<sup>7,8</sup>
- **Don't try to time the market** – Market timing is the process of trying to predict when markets will rise and fall and investing accordingly. The problem is that incorrect predictions can be costly. One economist estimates that an investor would have to correctly predict market declines and recoveries 74% of the time to outperform another investor whose investments simply track the S&P 500.<sup>9</sup>
- **Remember the goal** – The reason you invest in your West Virginia Teachers' Defined Contribution System (TDC Plan) is to build up a source of future retirement income. Most investors aren't planning to use their retirement funds in the short term. Market swings can be alarming, but they don't have to distract you from your goal. In fact, by continuing to invest during down markets, you may be buying shares in your chosen funds at a lower price – which may put you in a good position for when the market recovers and share values increase.

Online  
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Phone  
(800) 701-8255  
Monday - Friday, 5 a.m. - 7 p.m.  
Saturday, 6 a.m. - 2:30 p.m.

Join your agents today:

Chris Meadows  
[chris.meadows@empower-retirement.com](mailto:chris.meadows@empower-retirement.com)  
(844) 446-8658, ext. 20481



## Stay in the know when you're on the go

*Never miss an important message about your financial future.  
Add an email address to get account information and updates.*

*Simply:*

- Log on to your plan's website at [wvteachersDCP.com](http://wvteachersDCP.com)
- Go to your profile page by clicking on your name in the top right of the screen
- Click on the *Change Contact Information* button in the *Personal contact information* section
- Provide your email address and make sure to click *Save*

- 1 Nerdwallet.com, New Year Money Report: Strategies for Success, November 2017.
- 2 Forbes.com, A Psychologist's Secrets To Making New Year's Resolutions Stick, January 3, 2016.
- 3 CNN.com, 66% of Millennials have nothing saved for retirement, March 7, 2018.
- 4 CBNC.com, It's high time that Gen X takes retirement seriously, March 2, 2018.
- 5 Fool.com, Guess how many Gen Xers and Baby Boomers have no retirement savings, January 29, 2018.
- 6 NYTimes.com, Too little too late. Bankruptcy booms among older Americans, August 5, 2018.
- 7 Diversification does not ensure a profit and does not protect against loss in declining markets.
- 8 Dollar-cost averaging does not ensure a profit and does not protect against loss in declining markets.
- 9 USNews.com, No Right Time for Market Timing, June 19, 2018.

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# Your life. Your future. Your options.

Whether by chance or by choice, you have options. Explore them with Empower Retirement.



Government Retirement Plan Participant Brochure



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# You want to retire — someday or even today

Having choices makes that more possible than ever

Empower Retirement is a bold, visionary retirement services company. With more than 8.5 million participants,<sup>1</sup> we're the nation's second-largest retirement plan provider,<sup>2</sup> and we believe each individual deserves a unique path to the retirement of their dreams.

<sup>1</sup> As of June 30, 2018. Information refers to all retirement businesses of Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates, including Great-West Life & Annuity Insurance Company of New York, marketed under the Empower Retirement brand.

<sup>2</sup> PLANSPONSOR magazine, 2017.



# Change means choice

When you leave a job or retire, one of your most important tasks is to figure out what to do with the money you saved in your prior employer's retirement plan. And while some other things about such an important life change may seem complicated, Empower makes this part easy.

## Your choices — which one is best for you?

- ☐ Keep your money in your previous employer's plan.<sup>3</sup>
- ☐ Roll over your money to your new employer's plan.<sup>4</sup>
- ☐ Roll the money you've saved into an IRA.<sup>5</sup>
- ☐ Take a distribution from the plan.<sup>6</sup>

As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers, with a financial advisor and consider costs, risks, investment options, and limitations prior to investing.



## Evaluate your options



Use this checklist to determine if keeping your money in your previous employer's plan is right for you. If you check any of these options, you may want to contact a retirement consultant to explore that option.

- ☐ I want to keep my money with my former employer's plan.
- ☐ I like lower, institutional fees.
- ☐ I am currently invested in proprietary funds or share classes not offered in other retirement vehicles and do not want to make changes.
- ☐ I like the features and services in my plan.
- ☐ I value and use the website and tools available through my current plan.



Now use this checklist to determine if an IRA might be the answer. If you relate to any of these statements, you may want to contact a retirement consultant to discuss further.

- ☐ I want more investment choices than my plan offers.
- ☐ I want to control my investments.
- ☐ I have multiple retirement accounts and want to consolidate my money.
- ☐ I want lots of choices about which investments to draw from for my required minimum distributions (RMDs).

<sup>3</sup> Some employer plans require you to move your balance if the balance is below minimum thresholds. Check your plan's provisions to see if that applies to you.

<sup>4</sup> Not every plan allows for direct transfers. Check your new employer's plan provisions first.

<sup>5</sup> Money from other types of plans or accounts that are rolled over into a governmental 457 plan may still be subject to the 10% federal early withdrawal penalty prior to the investor reaching age 59½ upon distribution from the 457 account.

<sup>6</sup> Governmental 457 dollars rolled over to another type of plan or account may be subject to the 10% federal early withdrawal penalty upon distribution from the non-457 account prior to the investor reaching age 59½.



# Want to know more? Keep reading ...

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Call Empower at **877-534-4569** to  
learn more about your options or visit  
our website at **myerira.com**



# Your money. Your options.



Understand that your options include keeping your money in your current plan. Call Empower at **877-534-4569** to learn more today.

## Continued tax benefits

By moving your money to your new employer's plan, it remains in tax-deferred status. This means you don't pay taxes on that money until you take a distribution. And if you are in a lower tax bracket at retirement, you may pay fewer taxes then, too.

## Your options

While IRAs typically offer more fund choices than your previous employer's plan, keeping your money in your current plan may allow you to benefit from lower fees. You can remain in your current investment lineup and stay invested in funds you know and like.

## Empower Brokerage IRA

If you do choose an IRA and would like even more fund options, like additional mutual funds, stocks and exchange-traded funds (ETFs), please contact us at **877-534-4569** for more information about the Empower Brokerage IRA, our brokerage option. The self-directed brokerage account (SDBA) is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDBA.

## It goes with you

Whether you choose to stay in the plan or roll over funds to an IRA, you retain control of your money. No matter what job or career path you take, you'll have access to your account anytime, anywhere.

## Access to your money

If you stay in your former plan, access is easy. Just log in the same way you always have to check your account balance or change investment elections. If you choose an IRA, you will have new log-in credentials and a new website to visit.



## Access to your account

You have 24/7 online access to either your former plan account or your Empower Brokerage IRA. Whether you want to make account transactions, check your balance or initiate transfers, all of that is available on your schedule.

## World-class service

Want help? Our dedicated retirement consultants are there for you, whether you want to walk through options around investing or need help with any transactions. They are just a call away and are conveniently available between the hours of 8 a.m. and 8 p.m. Central time at **877-534-4569**.