Commonwealth of Pennsylvania Deferred Compensation Program Features and Highlights

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

About the 457(b) Deferred Compensation Program

A governmental 457(b) deferred compensation program (457 Program) is a retirement savings plan that allows employees to supplement existing retirement and pension benefits by investing through a voluntary salary contribution. The Program was established in 1988 by the Pennsylvania State Employees' Retirement System (SERS), who contracts with Great-West Retirement Services® (Great-West) to serve as third-party administrator.

Eligibility Requirements

You are eligible to enroll immediately following your date of hire.

Enrollment

You may enroll by completing and submitting these forms:

1) Participant Enrollment
2) Paycheck Contribution Election
3) Beneficiary Designation

All are available on the website at **www.sers457.com** or by calling **(866) SERS457 (866-737-7457)**.[1]

2013 Contribution Limits

- Combined maximum limit of 100% ($10 per month minimum) of your compensation or $17,500, whichever is less, for all retirement contributions.
- Special Catch-Up allows participants in the three calendar years prior to normal retirement age to contribute more (up to double the annual contribution limit—$35,000). The amount that you may be able to contribute under the Special Catch-Up option will depend upon the amounts that you were able to contribute in previous years but did not.
- Participants turning age 50 or older in 2013 may contribute an additional $5,500. Please note that you may not use the Special Catch-Up provision and the Age 50+ Catch-Up provision in the same year.

Before-Tax and Roth Contributions

The Roth option will give you the flexibility to designate all or part of your 457(b) elective deferrals as Roth contributions. All Roth contributions are made with after-tax dollars.

Vesting Schedule

Vesting refers to the percentage of your account you are entitled to receive upon the occurrence of distributable events. Your contributions and any earnings are always 100% vested (including rollovers from previous employers).

Investment Options

A wide array of core investment options is available through your Program. Each option is explained in further detail in your Program's fund sheets. Once you have enrolled, investment option information is also available through the website at **www.sers457.com** or by calling KeyTalk® toll free at **(866) SERS457.** The website and KeyTalk® are available to you 24 hours a day, seven days a week.[1]

In addition to the core investment options, a Self-Directed Brokerage (SDB) account is available. The SDB account allows you to select from numerous investment options for additional fees. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

Deferrals, Transfers and Allocation Changes

Use your Personal Identification Number[2] (PIN) and username to access the website, or you can use your Social Security number and PIN to access KeyTalk®. You can move all or a portion of your existing balances among investment options (subject to Program rules) and change how your payroll contributions are invested.[1]

Rollovers

Balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the Program. Contact your Great-West representative for assistance in the rollover process by calling **(866) SERS457**.[1]

Withdrawals

Qualifying distribution events are as follows:

- Retirement
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Death (your beneficiary receives your benefits)
- Unforeseeable emergency (as defined by the Internal Revenue Code)
- Transfer to purchase service credit

Each distribution is subject to ordinary income tax with 20% mandatory withholding except for an in-service transfer to purchase service credit. Depending on your personal tax circumstances, you may be responsible for payment of additional estimated tax, or you may owe additional tax when you file your tax return.

Program Fees

Recordkeeping or Administrative Fees:

The fees are $12.50 plus 0.08% of your account balance per year. They will be deducted from your account on a monthly basis.

Distribution Fees:

There are no Program distribution fees.

Investment Option Fees:

Each investment option has an investment management fee that varies 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 trading of securities within the investment options and other management expenses.

There may be a recordkeeping or administrative fee for investing in certain investment options. Please contact your Great-West representative for more information about any potential investment option fees.

There are additional quarterly fees and/or transaction fees to participate in the SDB option. Please see your Program's website for more information.

Loans

Currently, the Commonwealth of Pennsylvania Program does not allow loans.

Reality Investing® Advisory Services (Advisory Services)

Your Program has a suite of services called Advisory Services. You can have a qualified investment advisory firm, Advised Assets Group, LLC (AAG), manage your retirement account for you. Or if you prefer to manage your retirement account on your own, you can use online investment guidance and advice tools. These services help create a personalized retirement strategy for you.

For more detailed information about Advisory Services, including any applicable fees, log in to your Program's website at **www.sers457.com** (click on "Reality Investing") or call KeyTalk® at **(866) SERS457** to speak to an AAG adviser representative.[1]

How Can I Get More Information?

Visit the website at **www.sers457.com** or call KeyTalk® toll free at **(866) SERS457** for more information.[1] The website provides information regarding your Program, as well as financial education information, financial calculators and other tools to help you manage your account.

1 Access to KeyTalk® and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk® received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

2 The account owner is responsible for keeping the assigned PIN confidential. Please contact a client service representative immediately if you suspect any unauthorized use.

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.

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company, FASCore, LLC (FASCore Administrators, LLC in California) and their subsidiaries and affiliates. Not intended for Plans whose situs is in New York.

Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company. More information can be found at www.adviserinfo.sec.gov. Representatives of GWFS Equities, Inc. are not registered investment advisers and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

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