

Plan Highlights

Welcome to your future! You're in the race with the PERSI Base Plan. The PERSI Choice 401(k) Plan may help you pull ahead of the pack and cross the finish line strong and ready for the retirement you deserve!

Discover More About Your PERSI Choice 401(k) Plan

Ready... Set? Go! The PERSI Base Plan

The PERSI Base Plan gets you into the game, providing you with the security of a lifetime benefit. But to finish with the comfortable retirement you deserve, you've got to do more, and you've got to start now. If you're ready to Go BIG, the PERSI Choice 401(k) Plan can help you end up on top.

The PERSI Base Plan provides traditional pension benefits—meaning the longer you work for an employer who participates in PERSI, the greater your Plan retirement benefit will be. While the PERSI Base Plan is not designed to be your primary or sole means of support, it is a great start!

The Next Step: The PERSI Choice 401(k) Plan

The PERSI Choice 401(k) Plan is designed to help you save more for retirement. Let's Go BIG, sprint to the finish, and look at the PERSI Choice 401(k) Plan options.

Important Highlights

- **New contributors:** Take advantage of the 12-month fee holiday when recordkeeping and administrative fees will not be assessed to your account. You will still be assessed the investment management fees. After 12 months, fees begin at your respective tier.*

You Don't Spend What You Don't See.
Contributions are taken from your paycheck before you receive it. Think of it as paying yourself first.

You elect how much of your pay to defer to your account. This could be a percentage of your pay (including overtime) in whole percentage amounts from 1% to 100% or a whole dollar amount (depending on your employer). The maximum allowable contribution for 2018 as determined by the IRS is \$18,500. However, if you will be age 50 or older during 2018, you may make additional catch-up contributions of \$6,000 to the PERSI Choice 401(k) Plan for 2018.

- As you Go Now, Go BIG, be aware that you are able to invest your contributions among several investment options. If you choose not to direct your contributions, they will be directed automatically to the PERSI Total Return Fund,** which is invested the same way the PERSI Base Plan is invested, making it a highly balanced diversified fund.
- PERSI may also make a periodic contribution (referred to as gain sharing) to your PERSI Choice 401(k) Plan account if the funding levels in the Plan permit and the Retirement Board decides it is appropriate.
- You are always 100% vested in (i.e., you own) your PERSI Choice 401(k) Plan account balance.
- Your full account balance is available to you (subject to income tax consequences and a potential 10% early withdrawal penalty) when you retire, end your employment with a PERSI-participating employer, or become totally disabled. In the event of your death, your beneficiary(ies) will be entitled to the full value of your account. Depending on your circumstances, you may choose from a number of distribution options.

* Each investment option has its own operating expenses.

**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.

The Basics

What is a 401(k) defined contribution plan?

A 401(k) plan is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits (like the PERSI Base Plan) by saving and investing before-tax dollars.

Why should I participate in the Plan?

You may want to participate to save and invest additional money for retirement and/or reduce the amount of current state and federal income tax you pay each year.

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

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund, or expect to be in a higher tax bracket during your retirement.

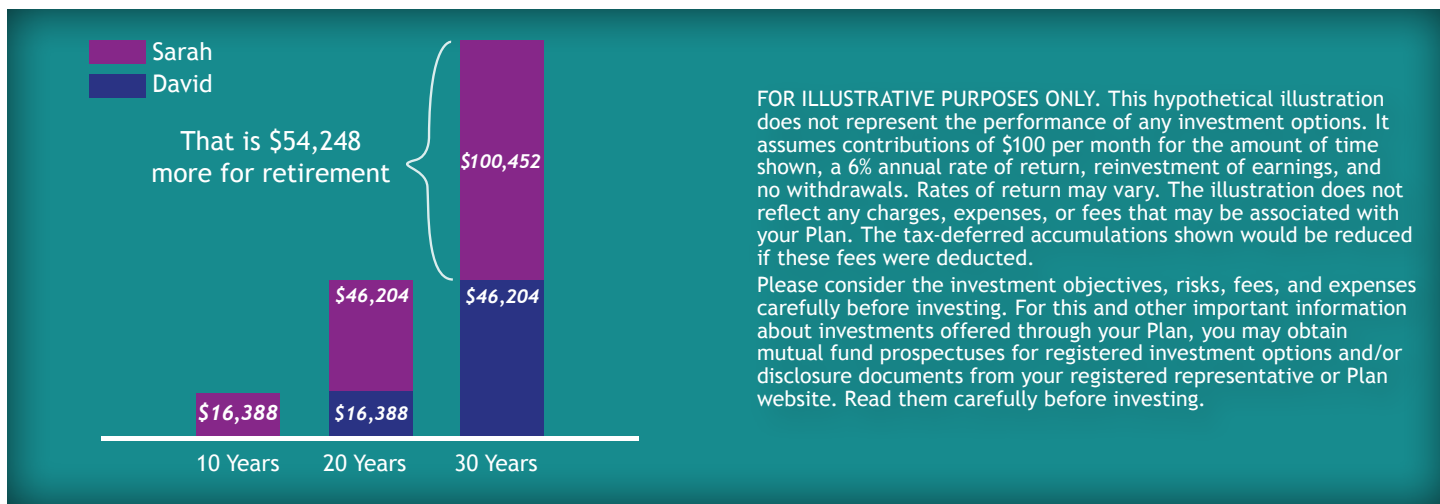
How much can I contribute?

In 2018, you can contribute up to 100% of your compensation or \$18,500, whichever is less. You can contribute up to \$24,500 if you are at least 50 years of age in 2018. This is set by the IRS.

Start Saving Early – It Makes All The Difference

If you're in your twenties or thirties, you're primed to Go Now to build the foundation of your retirement savings. Unfortunately, many of us don't start saving this early. We tell ourselves, "I'll start saving later" because we're too young to worry about retirement or we face more immediate financial needs such as paying off student loans, buying a car or house, or starting a family. However, Go Now works to your advantage because the earlier you start saving for retirement, the more time you'll have to take advantage of the benefit of compounding interest. A small investment now can grow to significant savings over time. That's the Go BIG potential benefit.

Consider the example below. Sarah and David plan to retire in 30 years. Sarah starts saving \$100 a month immediately while David waits 10 years before starting to save. The chart shows what they both would have after 10, 20, and 30 years, assuming a hypothetical 6% annual rate of return, compounded monthly, and no withdrawals.



More for Your Nest Egg Might Mean More in Your Pocket Now

If you think you can't afford to take money out of your check each month for a retirement you can't even imagine yet, consider this example of saving before tax through your PERSI Choice 401(k) Plan versus after tax through some other savings vehicle. Go Now, Go BIG!

Gross Pay = \$2,000	Before-Tax Contribution	After-Tax Contribution
Minus Before-Tax Contributions to 401(k) Plan	-\$100	-\$0
Taxable Pay	\$1,900	\$2,000
Minus Estimated Tax Withholding From Pay	-\$361	-\$380
Minus After-Tax Contributions to Other Savings	-\$0	-\$100
Spendable (Net) Pay	\$1,539	\$1,520
Before-Tax Advantage	\$19	\$0

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes a participant earning \$2,000 per month in regular pay who contributes \$100 per month in the Plan. It also assumes 19% combined federal, state, and local income tax withholding. It does not account for Social Security, Medicare, or other taxes.

Plan Loans

The primary purpose of your PERSI Choice 401(k) Plan account is saving for retirement; however, the PERSI Choice 401(k) Plan has a loan feature that may allow you to access your account's available balance during your employment.

When you take a loan from your PERSI Choice 401(k) Plan, you are actually borrowing money from your account. You will pay back the money to your account, with interest, over a specified period of time in approximately equal installments.

Log on to your account for more information about a PERSI Choice 401(k) Plan loan.

Key features include:

- No annual fee.
- A minimum loan amount of \$1,000.
- A maximum loan amount of 50% of your vested account balance or \$50,000, whichever is less (excluding any gain-sharing contributions).
- Terms of 12-60 months for general purpose loans or 61-120 months for the purchase of a primary residence.
- An interest rate of the prime lending rate declared in the *Wall Street Journal* on the first business day of the month in which the loan is processed plus 1%.
- A \$75 loan origination fee.

Below are some other considerations regarding loans from your PERSI Choice 401(k) Plan.

With a 401(k) loan:

- You don't pay taxes if repayments stay on schedule.
- You have to repay the loan, plus interest, or incur taxes and penalties.
- Your PERSI Choice 401(k) Plan balance is reduced.
- You can continue to participate in the PERSI Choice 401(k) Plan.

With a 401(k) withdrawal:

- Usually, you will have to pay taxes and may incur an IRS 10% penalty for withdrawals prior to age 59½.
- You cannot repay it.
- Your PERSI Choice 401(k) Plan balance is permanently reduced.
- Certain withdrawals cause a six-month suspension of contributions.

In-Service

In-Service Transfers

You may transfer funds from your PERSI Choice 401(k) Plan account to the PERSI Base Plan while you're still working to repay Base Plan separation benefits, waiting periods, or delinquent contributions.

In-Service Withdrawals

In addition to loans, you may be able to request a withdrawal of any rollover contribution funds within your PERSI Choice 401(k) Plan account and/or a hardship withdrawal of your funds while you are actively employed.

Rollover withdrawal: A withdrawal of any rollover contributions from your account can be made for any reason. However, unless the funds are rolled over into an eligible retirement account, they will be subject to an early distribution penalty (if you are under age 59½) and the mandated federal income tax withholding.

Hardship withdrawal: A hardship withdrawal may only be taken for certain immediate and significant financial needs as determined by IRS regulations. To receive a hardship withdrawal, you must satisfy certain conditions, including the exhaustion of your loan and rollover withdrawal options. In addition, funds from a hardship withdrawal will be subject to normal income taxes and an early distribution penalty if you are under age 59½. For more information about in-service withdrawals, log on to your account at www.mypersi401k.com.

Distribution Options

You may access all of the funds in your account if you retire, end your employment with a PERSI participating employer, or become disabled.

Depending on your circumstances, you may leave your assets in the PERSI Choice 401(k) Plan¹ or choose one or a combination of payment options:

- A lump sum
- Periodic installment payments²
- Rollover to an eligible retirement plan (401(a), 401(k), 403(b), 457, or pretax or Roth IRA)
- Purchase of PERSI Base Plan service at retirement

For more information about distribution options and the tax consequences of a distribution, log on to your account at www.mypersi401k.com.

PERSI Choice 401(k) Plan Participant Statements:

If you have a valid email on file and currently use e-delivery, you will receive an electronic notification when your statement is ready to view on the website.

If you have no email on file, or if you have opted out of e-delivery, you will receive hard copies of your statements at your address on record.

If you have an invalid email on file, we will make three attempts to notify you via regular mail. Meanwhile, you will not be sent a hard copy of your current statement but will receive one for the next period (unless you've updated your email).

It's easy to...

Update your email: Contact your employer or log on to your account at www.mypersi401k.com.

Request a hard copy: Call Empower Participant Service center (866-437-3774).

Download your participant statement: Log on to your account at www.mypersi401k.com, or use the hotlink in your myPERSI member portal account.

Once you log in to your account at www.mypersi401k.com, you can access your PERSI Choice 401(k) Plan account statement online. The PERSI Choice 401(k) Plan provides you with two types of account statements:

- **Online statement:** This statement is prepared quarterly as well as annually and includes any activity on your account within the quarter. It is available online approximately 15 business days after the end of a quarter.
- **Dynamic online statement:** This online statement allows you to specify a certain time period to summarize the activity in your PERSI Choice 401(k) Plan account and your personal rate of return during that time period.

Rollovers Into the PERSI Choice 401(k) Plan

Do you have money in another plan you'd like to move into the PERSI Choice 401(k) Plan? You can roll money into your PERSI Choice 401(k) Plan account from one or more of the following plans:

- 401(a)
- 403(a)
- 401(k)
- 403(b)

After-tax contributions cannot be rolled into the PERSI Choice 401(k) Plan. You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitations of investment options.

Accessing Your Account

You can access *both* your PERSI Base Plan and PERSI Choice 401(k) Plan accounts by using myPERSI.

To access myPERSI, follow these simple steps:

- Go to www.persi.idaho.gov.
- Click on the “myPERSI Login” link in the upper right area of the page.
- Register using a personal identification number (PIN) that is assigned by PERSI and mailed to the address on file. If you are a member and not yet registered, you must request your PIN before registering for myPERSI. Request your PIN by clicking on the myPERSI link in the upper right area of the PERSI home page, www.persi.idaho.gov.
- A letter with the new PIN will be generated and mailed to you. Once you receive the PIN in the mail, you can go back to myPERSI and set up your login name and password, which you will use to login thereafter. Keep your PIN in a safe place, though, because it will be needed to verify your identity regarding account information when speaking with a PERSI representative. Please have your PIN ready before calling.

Once you log on, you can access your PERSI Base Plan and PERSI Choice 401(k) account information, including balances and investment choices, as well as other resources and tools. Members with questions, or those wanting assistance can always call the PERSI Answer Center at: 800-451-8228 or 208-334-3365 in the Boise area.

To log on to your PERSI Choice 401(k) Plan *only*, go to www.mypersi401k.com home page and select “Register” and follow the steps provided.

Questions

If you have questions about how the PERSI Choice 401(k) Plan can help you **Go Now, Go BIG**, just visit the website below or give us a call.

www.mypersi401k.com
or
866-437-3774

The voice response toll-free system is always available. PERSI Choice 401(k) Plan customer service representatives are available from 6 a.m. to 8 p.m. Mountain time, Monday through Friday. To speak to a representative, simply say “representative” or press zero (0).

Representatives from Empower Retirement, the recordkeeper and PERSI Choice 401(k) Plan administrator, are available to answer your questions about the Plan³. However, if you want to speak to a PERSI representative (or if you have questions about your PERSI Base Plan service), please call PERSI at **800-451-8228**, 7:30 a.m. to 5:30 p.m. Mountain time, Monday through Friday.

Take Advantage of the PERSI Choice 401(k) Plan Today

- STEP 1:** If you want more information, go to www.mypersi401k.com or link to your Choice 401(k) Plan account from your myPERSI account and select “About Your Plan”.
- STEP 2:** Ready to enroll? Click on “Enroll Now” and complete the PERSI Choice 401(k) Plan Paycheck Contribution Election Form
- STEP 3:** Give the completed form to your employer’s human resources or payroll department. Do not send this form to PERSI or Empower Retirement.

For more information, call 866-437-3774 or visit
www.mypersi401k.com

1 You must have at least \$1,000 in your account to maintain a PERSI Choice 401(k) Plan account if your employment with a PERSI employer has ended.

2 If your account balance is \$5,000 or more and you have reached the PERSI Choice 401(k) Plan’s normal retirement age (50), you may elect to receive installment payments; otherwise, you must choose one of the other options such as a lump-sum payout.

3 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.

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