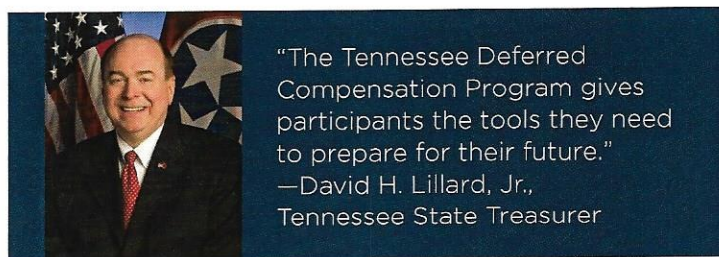


## Why Join the State of Tennessee Deferred Compensation Program?

The Tennessee County Services Association has partnered with the Tennessee Treasury Department to offer you the State of Tennessee 401(k) and 457 Deferred Compensation Program (the "Program.") As a result, you have access to a powerful tool to help your employees save toward their retirement goals.

This voluntary retirement savings Program is now available to employees of any local government entity in Tennessee. The Program is administered by the Tennessee Treasury Department and offers the experience and expertise of a dedicated staff, an independent investment consultant, an oversight committee, and an industry-respected recordkeeper—Empower Retirement.

The Program offers several great features to help participants plan today for tomorrow's prosperity:



**No Cost to Employers to Join** - There are currently no upfront costs to employers to join the Program, and no minimum number of employees is needed.

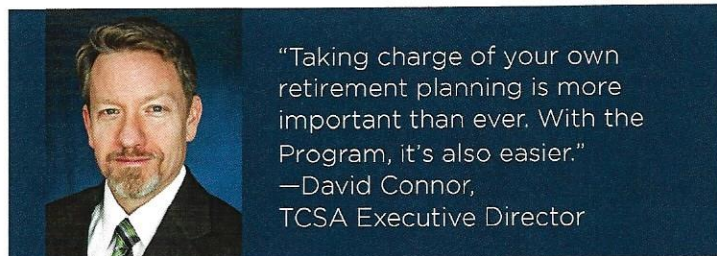
**Fiduciary Oversight** - The Program is administered by the Tennessee Treasury Department, which assumes legal responsibility for the Program, taking the burden off your finance department.

**Easy to Set Up** - It only takes a few hours of your time to get set up for processing contributions to the Program. The Program's recordkeeper, Empower Retirement, works with your payroll department to get the Program set up. Once the process is established, ongoing maintenance is minimal (15-30 minutes per pay period). The entire process takes approximately 30 days from the date the signed agreement is received until the first contribution can be processed (this time frame is extended to 90 days if you are transferring an existing plan to the state's Program).

### Access to Governmental 457(b) and 401(k) Plans -

The Program offers the flexibility to choose a 457 or 401(k) plan or both. There is no 10% early withdrawal penalty for contributions into the 457 Plan. The 401(k) Plan allows pre-tax or Roth (after-tax) contributions. Offering both plans to your employees allows them the opportunity to double their savings potential. The Program offers a variety of unique investment options selected and monitored by the investment committee, as well as additional services to help.

**Comprehensive Retirement Planning** - One-on-one counseling from a dedicated plan counselor, a useful, interactive website and a suite of educational materials are available to all participants in the Program.



**Full Service** - The Program has a fully staffed participant call center, open weekdays from 8 a.m. - 7 p.m. Central time. Fourteen Tennessee-based, local, salaried Educational Representatives are also available to meet with employers and participants throughout the state.



**Reasonable Expenses** - Because the Program is large and well established, it is able to successfully negotiate for competitive administrative fees, which may be considerably lower than the fees of other plans. Lower fees mean more of your employees' contributions can stay invested in the Program. In addition, the Program is able to utilize institutional investment options, further fostering the cost effectiveness of the savings available to your employees who participate.

The Deferred Compensation Program offers you the high level of professional oversight you need to help your employees plan for a more secure retirement. Defined benefit plans alone may not be enough to cover the needs of some public sector employees in retirement. Financial experts say workers will need retirement income equaling at least 70-80% of their pre-retirement salary, but only 54% of that income is expected to be covered by pensions alone.<sup>1</sup> Since the average length of service for public sector employees is only 5.8 years,<sup>2</sup> it's clear that more needs to be done to prepare these employees for retirement. Offering the Deferred Compensation Program is a great way to help employees cover the gap in retirement income that pensions alone might leave.

### How do I get more information?

Visit the Program website at [www.RetireReadyTN.gov](http://www.RetireReadyTN.gov) for more information. For copies of the plan documents and participation agreements, or if you are ready to move forward with adopting the Program, contact:

**Plan Administrator**

Tennessee Treasury Department  
Director of Deferred Compensation & ORP  
**(615) 532-2347**

### A program of the Tennessee Treasury Department David H. Lillard, Jr., Treasurer

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1. Access to the voice response system and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.
2. United States Department of Labor, Bureau of Labor Statistics; <http://www.bls.gov/news.release/tenure.t05.htm>

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## Investment Options

The following chart is intended to illustrate investment options available to you under the State of Tennessee 401(k) and 457 plans.

**Carefully consider the investment option's objectives, risks, fees and expenses. Visit [www.RetireReadyTN.gov](http://www.RetireReadyTN.gov) for a prospectus, summary prospectus and disclosure document, as available, containing this information. Read them carefully before investing.**

RELATIVE RISK INCREASE 						
Short-Term/Fixed	Bonds	Balanced	Large Cap Equity	Mid Cap	Small Cap	International
Voya Fixed Fund <sup>1</sup>	Vanguard Total Bond Market Index Inst (VBTIX)  Western Asset Core Plus Bond IS (WAPSX)	Fidelity Puritan (FPURX)  Tennessee Treasury Managed Fund	Allianz NFJ Large Cap Value Inst <sup>2</sup>  Fidelity Contrafund (FCNTX)  Fidelity OTC Portfolio (FOCPX)  Vanguard Institutional Index Institutional Plus (VIIIX)	Janus Henderson Enterprise Fund (JDMNX)  Columbia Mid Cap Value Z <sup>2</sup>	Brown Capital Small Company Inv (BCSIX)  Invesco Van Kampen Small Cap Value Fund Y <sup>2</sup>	DFA International Value Fund I (DFIVX)  Fidelity International Discovery (FIGRX)
Target Date Funds						
Risk managed according to retirement date						
Vanguard Institutional Funds:	Retirement Income (VITRX)	2015 (VITVX)	2025 (VRIVX)	2035 (VITFX)	2045 (VITLX)	2055 (VIVLX)
		2020 (VITWX)	2030 (VTTWX)	2040 (VIRSX)	2050 (VTRLX)	2060 (VILVX)

The date in a target date fund's name represents an approximate date when an investor is expected to retire. The principal value of the funds is not guaranteed at any time, including the target date. Generally, the asset allocation of each target date fund will gradually become more conservative as the fund nears the target retirement date.

Foreign investments involve special risks, including currency fluctuations, taxation differences and political developments. Equity securities of small and mid-size companies may be more volatile than securities of larger, more established companies. 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>1</sup> The Voya Fixed Fund is backed by the general assets of ING.

<sup>2</sup> Offered through a group fixed and variable deferred annuity issued by ING. A ticker symbol is not available for this investment option.

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Core investment options offered through a group fixed and variable deferred annuity issued by ING, mutual funds and a bank account. 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. ©2019 Great-West Life & Annuity Insurance Company. 98986-01-02-FLY-21553-1812 AM649114-1118



## Find out more about your investment options available through RetireReadyTN

### Go online:

- Visit **www.RetireReadyTN.gov** and click on the *Investment information* tab

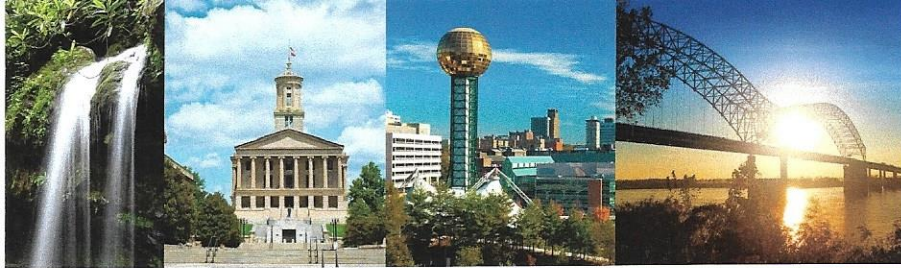
### Contact your local RetireReadyTN advisor:

- Go to **www.RetireReadyTN.gov** and select the *Resources* tab to find your local advisor

### Via telephone:

- Contact RetireReadyTN at **800-922-7772** between the hours of 8 a.m. and 7 p.m. Central time





## RetireReadyTN Plan Comparison

457(b) Plan vs. 401(k) Plan

	457(b) Plan	401(k) Plan
	Before-tax Plan only	Before-tax 401(k) Plan      After-tax Roth 401(k) Plan
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>State, Higher Education and Local Education Agency employees—upon date of hire or anytime thereafter.</li> <li>Local Government employees—upon employer adoption of the plan.</li> </ul>	
<b>Annual contribution limit</b>	<p><b>If you are under age 50:</b> You may contribute up to \$19,000 in 2019 or 100% of your salary, whichever is less. This amount does not include any employer contributions.</p> <p><b>If you are age 50 or older:</b> Take advantage of the Age 50+ Catch-up option. In 2019, you can contribute an additional \$6,000, for a total of \$25,000.</p> <p><b>Standard Catch-up:</b> If you choose not to use the Age 50+ Catch-up contributions, Standard Catch-up is available during the last three calendar years before the year you attain normal retirement age. You may be eligible to make contributions up to a maximum annual contribution of \$38,000 in 2019.</p> <p>The Standard Catch-up and Age 50+ Catch-up cannot be used in the same tax year.</p> <p>The annual contribution limit may be indexed for inflation in future years. Check <a href="http://www.irs.gov">www.irs.gov</a> for more information.</p>	<p><b>If you are under age 50:</b> You may defer a combined maximum of \$19,000 in 2019 to the 401(k) Plan and the Roth 401(k) Plan. This amount does not include any employer contributions.</p> <p><b>If you are age 50 or older:</b> Take advantage of the Age 50+ Catch-up option. In 2019, you can contribute an additional \$6,000, for a total of \$25,000.</p> <p>The annual contribution limit may be indexed for inflation in future years. Check <a href="http://www.irs.gov">www.irs.gov</a> for more information.</p>
<b>Hybrid plan contributions<sup>1</sup></b>	Not applicable.	<p>If eligible, you're auto enrolled in the Hybrid Plan at 2% of your salary. You can voluntarily contribute more, up to 100% of your salary.</p> <p>Your employer will also contribute 5% on your behalf to the State's 401(k) Plan.</p>
<b>Legacy plan contributions</b>	You can contribute as little as \$10 per pay period or 1% of your salary, up to 100% of your salary.	You can contribute as little as \$10 per pay period or 1% of your salary, up to 100% of your salary.
<b>Employer matching contributions</b>	Not applicable.	<p><i>In order to receive the match, you must be contributing to the 401(k) Plan.</i></p> <ul style="list-style-type: none"> <li><b>Employees of the State of Tennessee and Tennessee Public Colleges and Universities:</b> Your employer may match your 401(k) contributions up to an annually appropriated limit. Check with your HR/Benefits Specialist or campus resource office for current information on employer matching contributions.</li> <li><b>Local Education Agency employees:</b> Check with your HR/Benefits Specialist to determine the availability of a plan match.</li> <li><b>Local government employees:</b> Check with your HR/Benefits Specialist to determine the availability of a plan match.</li> </ul>



	457(b) Plan	401(k) Plan	
	Before-tax Plan only	Before-tax 401(k) Plan	After-tax Roth 401(k) Plan
<b>Transfers/Rollovers out of the Plan</b>			
<i>As with any financial decision, you 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.</i>	Funds may be rolled over into a 401(k) plan, a governmental 457 plan, a 401(a) plan, a 403(b) plan or an IRA once you have met the eligibility requirements for withdrawal. Please check with your new plan provider to determine if rollovers are allowed into your new plan. Funds may also be transferred to the Tennessee Consolidated Retirement System (TCRS) for purchasing prior service credit.	Funds may be rolled over into another 401(k) plan, a governmental 457 plan, a 401(a) plan, a 403(b) plan or an IRA once you have met the eligibility requirements for withdrawal. Please check with your new plan provider to determine if rollovers are allowed into your new plan. Funds may also be transferred to TCRS for purchasing prior service credit.	Funds may be transferred to a Roth IRA, 401(k) or other plan with a designated Roth account that accepts rollovers.
<b>Saver's Credit</b>	If eligible, you may receive a non-refundable tax credit of up to 50% on an annual contribution of \$2,000 in elective deferrals in addition to the tax deferral. This credit generally applies to joint filers with an adjusted gross income (AGI) of up to \$64,000 and single filers with an AGI of \$32,000 in 2019. Eligible participants must complete a federal income tax return and claim the credit on an appropriate form.		
<b>Tax penalties</b>	No 10% penalty tax for distributions of 457(b) money taken prior to age 59½. A 50% excise tax applies if minimum required distributions are not taken before April 1 of the year following the attainment of age 70½ or retirement, if later.	A 10% federal penalty tax may apply to distributions taken prior to age 59½. A 50% excise tax applies if minimum required distributions are not taken before April 1 of the year following the attainment of age 70½ or retirement, if later.	Premature distributions of any Roth earnings are taxed, plus a 10% penalty tax unless an exception applies. If a distribution is made from your account before you reach age 59½ and it is not due to death or disability, or if you have not reached the five-tax-year period beginning with your first Roth contribution, you will pay income tax on any earnings that are distributed.
<b>Withdrawals</b>	Withdrawals may be taken if they meet the following criteria: retirement, disability retirement, unforeseeable emergency (as defined by the IRS and if allowed by your Program's provisions), severance of employment, death, purchase of service credits, distribution requested by a qualified retired public safety officer to be made directly to a health or long-term care insurance provider, or attainment of age 70½.  Withdrawals must begin April 1 of the year following the year you turn age 70½ or the year of your retirement.	Withdrawals may be taken if they meet the following criteria: retirement, disability retirement, approved financial hardship (as defined by the IRS), attainment of age 59½, in-service distribution at age 60, severance of employment, death or purchase of service credits.  Withdrawals must begin April 1 of the year following the year you turn age 70½ or the year of your retirement.	
<b>Loan provisions</b>	None.	Active employees who have \$4,000 in the plan may borrow up to half of their account balance, not to exceed \$50,000. The \$4,000 minimum balance requirement is based on employee contributions only. Employer contributions are not eligible for loans. Refer to the Loan Brochure for details. If you leave employment while having an active loan, you must contact RetireReadyTN to obtain a coupon book to continue payments.	

Note: Statements regarding federal income tax requirements and plan rules are based upon the State of Tennessee's current understanding of the law and are subject to change as a result of subsequent amendments, regulations and interpretations. Participants are urged to consult their own tax advisors for advice concerning their particular circumstances.

The above is only a brief discussion of applicable tax requirements. Specific limitations and requirements are stated in detail in the Plan Documents and IRS regulations.

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 upon distribution from the 457 account prior to the investor reaching age 59½.

<sup>1</sup> The hybrid plan, effective for new hires on or after July 1, 2014, or as of the Amendment Effective Date for certain local government employers, provides a combination of a defined benefit plan and a defined contribution plan. Contributions into the defined benefit portion of the hybrid plan are managed by the Tennessee Consolidated Retirement System (TCRS). Check with your HR/Benefits Specialist to determine the availability of plan options and your eligibility to participate.

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