



# Plan Highlights

## Portsmouth Public Schools 403(b) and 457(b) Plans



Portsmouth Public Schools offers both a 403(b) retirement plan and a 457(b) deferred compensation plan, providing you with an exceptional opportunity to help accumulate money for a secure retirement. You may contribute pretax dollars to one or both plans automatically by convenient payroll reduction, which might lower current income taxes. You may also make after-tax contributions to a Roth account in the 403(b) plan, the 457(b) plan, or both by convenient payroll deduction. Your accounts benefit from the opportunity for tax-advantaged growth.

This is not your plan document. The administration of each plan is governed by the actual plan document. If discrepancies arise between this summary and the plan document, the plan document will govern.

### Eligibility

You are immediately eligible to participate in the plan and may begin contributing to either or both plans upon enrollment.

### Enrolling is easy! Here's how ...

Simply decide how much you want to save and how you want to invest contributions to your account. There are three convenient ways to enroll:

- **Online** — Go to [aig.com/RetirementServices](http://aig.com/RetirementServices) to enroll online. For the 403(b) plan your Group ID is 07241001 for pretax contributions and 07241101 for Roth. For the 457(b) plan your Group ID is 07241002 for pretax contributions and 07241102 for Roth.
- **By phone** — Call our Enrollment Center at 1-888-569-7055.

#### In person —

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### 403(b) plan

### 457(b) plan

#### Your contributions (subject to plan terms)

As much as 100% of your annual includible compensation up to \$19,500 in 2020. You may increase or decrease your contributions as often as your employer allows.

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#### Catch-up contributions

You might be eligible to contribute up to an additional

- \$6,500 in 2020 if you are age 50 or older

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- \$19,500 in 2020 if you are within the last three tax years ending the year before the year you attain normal retirement age as specified under the plan and have undercontributed in prior years
- \$6,500 in 2020 if you are age 50 or older

If you are eligible for both, you must select one or the other. You cannot combine the two catch-up amounts, but you may contribute up to the higher amount.

#### Withdrawal restrictions

Subject to plan provisions. Your plans were established to encourage long-term savings.

- 403(b) plan has less stringent withdrawal restrictions while you are employed; however,
- A 457(b) plan has more stringent withdrawal restrictions while you are employed, but less stringent rules after severance from employment, and distributions are not subject to a 10% federal early withdrawal tax penalty except on amounts rolled over from other non-457(b) eligible retirement plans.

#### 403(b) distribution events

- Reaching age 59½
- Retirement or severance from employment\*
- Your death or total disability
- Hardship withdrawals
- Minimum distribution required upon reaching age 72 (age 70½ if born before July 1, 1949) or upon retirement, whichever is later

Bear in mind that income taxes are payable upon withdrawal.

\* Distributions where the employee retires or severs from employment on or after age 55 are not subject to the 10% federal early withdrawal tax penalty.

#### 457(b) distribution events

Generally, you can withdraw the value of your vested account balance in the following circumstances:

- Reaching age 70½ (if your plan allows in-service distributions)
- Retirement or severance from employment
- Your death
- Unforeseeable emergencies

Minimum distribution required upon reaching age 72 (age 70½ if born before July 1, 1949) or upon retirement, whichever is later. Bear in mind that income taxes are payable upon withdrawal.

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#### Pretax or Roth contributions

You have a choice regarding your elective contributions. You can direct all of your contributions to a traditional pretax account, to a Roth account or to a combination of the two.

#### Stop/change contributions

You may change your contribution amount or discontinue contributing to your plan at any time and resume contributing again later, subject to plan provisions and any administrative requirements. In the meantime, your account will continue to grow on a tax-deferred basis. Under a 457(b) plan, an election start, change or stop contributions will become effective no sooner than the first pay period of the month following the date the election is made.

#### Vesting

You are always 100% vested in your own contributions to both plans.

#### Investment flexibility

You decide how to invest all contributions among the mutual funds and the Fixed-Interest Option\* offered under the Portsmouth Public Schools 403(b) and 457(b) Plans.

Remember, this plan represents a long-term investment. Investment values of the mutual funds you choose will fluctuate, and there is no assurance that the objective of any fund will be achieved. Mutual fund shares are redeemable at the then-current net asset value, which may be more or less than the original cost. Bear in mind that investing involves risk, including possible loss of principal.

\* Policy Form series GFUA- 315, a group fixed unallocated annuity issued by The Variable Annuity Life Insurance Company, Houston, Texas.

#### Fixed-Interest Option transfer restrictions

Generally, participants may transfer assets from the Fixed-Interest Option into equity options at any time and, after 90 days, from equity options into another fixed-income option such as a money market fund, a stable value fund or certain short-term bond funds, if such "competing options" are allowed in the plan.

#### Guided Portfolio Services®

Guided Portfolio Services (GPS) offers two approaches to help you achieve your retirement goals. One approach is for do-it-yourselfers. The other is great for those who prefer to have someone else do it for them. Both approaches deliver objective advice from independent financial expert, Morningstar Investment Management LLC, including how much to save, which investments to choose, and how much to invest in each.

GPS is offered through VALIC Financial Advisors, Inc. and is available for an additional fee. For more information, contact your local financial advisor.

#### Account consolidation

You might be able to transfer your vested retirement account balance from a prior employer's plan to your Portsmouth Public Schools 403(b) and 457(b) Plans with AIG Retirement Services. This may be a way to simplify your financial profile and to ensure your overall investments are suitably diversified and consistent with your investment preferences. However, before moving funds, check with your other provider to determine if your account has any restrictions, imposes a withdrawal penalty or provides favorable terms.

#### Tax-free loans

Tax-free loans make it possible for you to access your 403(b) account, subject to certain limitations, without permanently reducing your account balance. Defaulted loan amounts (not repaid on time) will be taxed as ordinary income and may be subject to a 10% federal early withdrawal tax penalty if you are under age 59½.

#### Distribution options

Your plan offers many distribution options, allowing you to tailor your benefits to meet your individual needs. Depending on plan provisions, your withdrawal options include:

- Transferring or rolling over your vested account balance to another tax-advantaged plan that accepts transfers of rollovers
- Electing systematic withdrawals

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- Taking a lump-sum distribution
- Choosing one of the many annuity options available
- Deferring distributions until the later of age 72 (age 70½ if born before July 1, 1949) or severance of employment, and allowing your account to continue to grow on a tax-deferred basis

Generally, income taxes must be paid on all amounts you withdraw from your plan. A 10% federal early withdrawal tax penalty may apply to distributions taken prior to reaching age 59½ from accounts other than those in the 457(b) plan.

Qualified distributions from a Roth account are tax-free. Generally, a qualified Roth distribution is a distribution that (1) is withdrawn after the end of the five-year period beginning with the first year in which a Roth contribution was made to the plan, **and** (2) is after reaching age 59½, death or disability.

Consult your financial advisor for more specific information.

### Administrative fee

The gross annual administrative fee assessed on mutual fund assets in the plan is 0.47%. This may be offset, in whole or in part, by reimbursement received from mutual fund companies. Additionally, mutual fund annual operating expenses apply based on the funds chosen. Mutual fund expenses and fund reimbursements are described in the prospectus.

### Account statement

AIG Retirement Services sends all participants a comprehensive account statement every calendar quarter. This account statement documents all activity for the preceding period, including total contributions and transfers among investment options.

You can choose to “go paperless” if you wish. Receive secure, paperless, electronic notification when your retirement account statements, transaction confirmations and certain regulatory documents are available online through our secure connection, Personal**Deliver-@**®. Managing these items electronically is faster and more secure than paper mail. Simply log in to your account at [aig.com/RetirementServices](http://aig.com/RetirementServices) to sign up for this free service.

## Account access

Once enrolled, you can access account information 24 hours a day, seven days a week:

- **Online** — [aig.com/RetirementServices](http://aig.com/RetirementServices)
- **By phone** — 1-800-448-2542

Access anywhere 24/7 on your mobile device to track your account, get industry news, contact your financial advisor and more.

- **AIG Retirement Services Mobile for iPad®, iPhone® or Android™-based phones**
- **AIG Retirement Services Mobile Access for web-enabled devices at [my.valic.com/mobility](http://my.valic.com/mobility)**

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Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional or by visiting [www.aig.com/retirementservices](http://www.aig.com/retirementservices) and clicking on Documents & Forms (ePrint) on the bottom left of the screen. Enter your Group ID number in the Login field and click Continue. Click on Funds on right side of screen, and the funds available for your plan will be displayed. You can also request a copy by calling 1-800-428-2542. Read the prospectuses carefully before investing.

**Your Future is Calling. Meet It with Confidence.**

**CLICK** [aig.com/RetirementServices](http://aig.com/RetirementServices)    **CALL** 1-800-426-3753    **VISIT** your financial advisor

This information is general in nature, may be subject to change and does not constitute legal, tax or accounting advice from any company, its employees, financial professionals or other representatives. Applicable laws and regulations are complex and subject to change. For advice concerning your situation, consult your attorney, tax advisor or accountant.

Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser.

Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.

AIG Retirement Services represents AIG member companies — The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries, VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).

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