

ENROLLMENT

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 want, you may need to put in some extra effort — and the sooner you start, the better. The PERSI Choice 401(k) Plan may help you pull ahead of the pack and cross the finish line strong. Below are **top reasons** to enroll in the PERSI Choice 401(k) Plan:

TRUST

The PERSI Retirement Board oversees the PERSI Choice 401(k) Plan on an ongoing basis. They have carefully selected investment options and a service provider, Empower Retirement, to work directly with you.

YOU ARE NOT ALONE

Salaried, local retirement plan counselors are ready to help you plan for your future. They provide individual meetings and group presentations at your workplace with one goal: to help you thrive, to and through retirement!

SIMPLE PAYROLL DEDUCTIONS

Your elected contributions come out of your paycheck automatically.

LOWER EXPENSES

You may have the potential for lower investment management expenses. Lower fees mean more of your contributions can work for you.

FEE HOLIDAY

If you're new to the PERSI Choice 401(k) Plan, you're eligible to take advantage of a 12-month fee holiday in which both recordkeeping and administrative fees will not be assessed to your account. However, you will still pay investment management fees and other fund operating expenses. After 12 months, fees begin at your respective tier. Each investment has its own operating expenses.

INVESTMENT CHOICES

You can choose from several investment fund options within the PERSI Choice 401(k) Plan to create a diversified portfolio of fund options, including a mix of equity, fixed-income and balanced funds, as well as the PERSI Total Return Fund. Diversification and asset allocation do not ensure a profit and do not protect against loss in declining markets.

CONSOLIDATE YOUR RETIREMENT ACCOUNTS

Take advantage of the opportunity to possibly save on fees! Roll over contributions from another qualified retirement savings plan or pre-tax IRA into your PERSI Choice 401(k) Plan account.

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.

POTENTIAL FEDERAL TAX CREDIT

You may be eligible for an IRS Saver's Credit on the first \$2,000 you contribute to your PERSI Choice 401(k) Plan, based on your adjusted gross income and tax filing status. This is a potential benefit at tax time.

ONLINE TOOLS AND RESOURCES

Explore several innovative resources, tools and calculators when you log into your account at www.mypersi401k.com.

A CHANCE FOR AN EARLY START

The sooner you start saving and investing, the better. With the power of compounding, waiting even one year can make a big difference in the amount you might have in your account when you retire.

AN OPPORTUNITY TO CATCH UP

If you are at least age 50, you may also contribute an additional catch-up contribution. The maximum contribution amounts are set by the IRS and may be subject to change in future years. Enroll today and let your PERSI Choice 401(k) Plan help you catch up.

STAY AS LONG AS YOU LIKE

Even after you retire or separate from service, you can keep your account right where it is, as long as you keep a minimum of \$1,000 in your account.

Start Saving with the PERSI Choice 401(k) Plan

Now is the time. No need to wait and no need to be vested with PERSI, you can enroll immediately upon starting in a PERSI eligible position. You are always 100% vested in (i.e., you own) your PERSI Choice 401(k) Plan account balance.

Follow these three easy steps to start saving with the PERSI Choice 401(k) Plan:

- Go to www.mypersi401k.com and select *About Your Plan, Enroll Now* or link to your PERSI Choice 401(k) Plan account from your myPERSI account at www.mypersi.idaho.gov.
- Complete the PERSI Choice 401(k) Plan Paycheck Contribution Election Form.
- Give the completed form to your employer's human resources or payroll department. Do not send this form to PERSI or Empower Retirement.

Importance of Saving

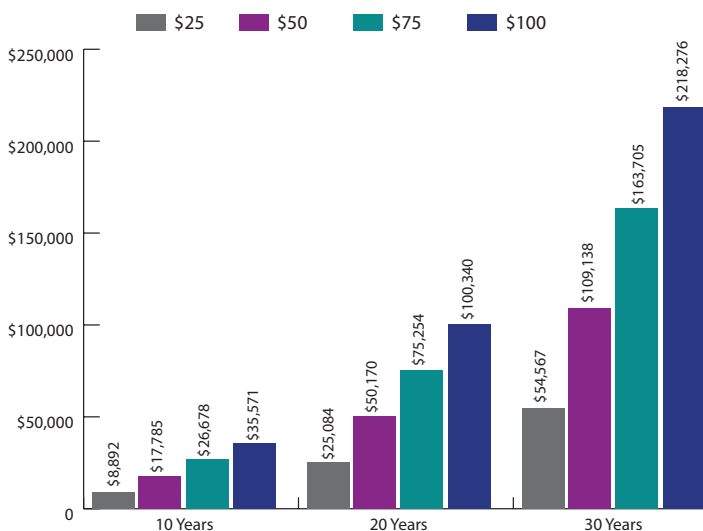
To save more for retirement, you can choose to start contributing to the PERSI Choice 401(k) Plan. A 401(k) plan is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits (like the PERSI Base Plan) by saving and investing before-tax dollars. This means contributions are taken from your paycheck before you receive it. Think of it as paying yourself first.

You decide how much you wish to save each pay period. This could be a percentage of your gross 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 2019 as determined by the IRS is \$19,000. However, if you will be age 50 or older during 2019, you may make additional catch-up contributions of \$6,000 to the PERSI Choice 401(k) Plan for a total contribution of \$25,000. No matter where you're at in your career, taking small steps today may make a BIG difference when it comes time to retire. The important thing is to choose to start saving as much as you can right now.

Check out the online tool to learn more about the importance of **saving**. Simply visit www.mypersi401k.com, select *Learning Center* and *Wellness and Financial Resource Center*, then select the *Saving* tab.

Starting Early Can Make a Big Difference

Waiting could impact how much you'll have saved for retirement. Starting early and making a small change in the amount you contribute could make a difference at retirement, as you can see in the chart below.



FOR ILLUSTRATIVE PURPOSES ONLY. This is a hypothetical illustration to show the value of an increase in contributions. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 6% average annual rate of return, 26 pay periods, and reinvestment of earnings with no withdrawals. Rates of return may vary. This illustration does not include any charges, expenses or fees that may be associated with your plan. The tax-deferred accumulations shown above would be reduced if these fees had been deducted.

Since your contributions are deducted from your pay before taxes, whatever amount you decide to save may actually affect your take-home pay less than you think. See the chart below.

Take-home pay calculator	Without the plan	With the plan
Gross monthly salary	\$2,500.00	\$2,500.00
Less PERSI Choice 401(k) Plan monthly 6% pretax contribution	\$0.00	\$150.00
Taxable salary	\$2,500.00	\$2,350.00
Less taxes	(\$375.00)	(\$352.00)
Take-home net pay	\$2,125.00	\$1,998.00

DIFFERENCE IN TAKE-HOME PAY = \$20

FOR ILLUSTRATIVE PURPOSES ONLY. Assumes \$30,000 annual salary and 15% federal, state and local tax rate. Please note that taxes on savings are deferred until withdrawal and that pretax withdrawals do not lower your income for FICA or FUTA tax withholding purposes.

You can also choose to move money from another retirement plan, such as a 401(a), 401(k), 403(a) or a 403(b), into your PERSI Choice 401(k) Plan account. This is known as a rollover. After-tax contributions cannot be rolled into the PERSI Choice 401(k) Plan.

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.

WHEN PLANNING FOR RETIREMENT, YOU MUST ALSO SET GOALS. ASK YOURSELF THESE QUESTIONS WHEN SETTING YOUR RETIREMENT GOALS:

- How old will I be when I retire?
- How much money will I need or want during my retirement years?
- How much do I need to start saving now to reach my goal?
- What type of investments should I use to help me get to the finish line?

WHEN YOU'RE FIGURING OUT HOW MUCH YOU'LL NEED FOR YOUR FUTURE, YOU'LL WANT TO MAKE SURE YOU CONSIDER INFLATION.

Typically, inflation goes up over time. Something that cost \$10 in 1998 might have cost \$13.44 in 2008 and \$18.06 in 2018 – imagine what something will cost in retirement. This illustration assumes an inflation rate of 3%.



We are also living longer lives and spending more time in retirement.

The Social Security Administration tells us:¹

84 The age a man who turned 65 today can expect to live (on average)

87 The age a woman who turned 65 today can expect to live (on average)

For more information, visit www.mypersi401k.com or call Empower Customer Service at **866-437-3774**. To contact a local plan counselor, visit www.mypersi401k.com and select *Meet Your Plan Representatives*.



¹ Social Security, Benefits Planner Life Expectancy, January 2019

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 each carefully before investing.

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