

# A new service provider for the City of Tucson 457(b) and 401(a) Plans



The City of Tucson recently announced that Empower Retirement will replace ICMA Retirement Corporation (ICMA-RC) as the new provider of services for the City of Tucson Deferred Compensation Plan. This transition will be effective on **June 2, 2020**.

## About Empower

After a comprehensive selection process, the Deferred Compensation Plan Management Board of the City of Tucson chose Empower Retirement as the company that offered the best fit for Plan participants. Empower was chosen as the new service provider based upon its competitive fees, enhanced financial and retirement planning education tools, and online services and the support of a dedicated Retirement Plan Advisor who can help you with one-on-one account reviews and answer your questions. You can find more information at **[empower-retirement.com](https://empower-retirement.com)**.

## What to expect

The transition process is automatic. During the transition, existing accounts at ICMA-RC will be moved to Empower, and all new contributions will be directed to Empower as of June 2, 2020.

To help ensure an accurate transfer of assets and records from ICMA-RC, there will be a blackout period during which you will not have access to your current account. During the blackout period, your funds will remain invested and will continue to gain and/or lose value depending on market conditions.

The blackout period is scheduled to start at 2 p.m. Mountain time on **May 22, 2020**. The blackout period will end after the close of business on or about **June 15, 2020**. An additional announcement will be sent notifying you that the Plan is now live with Empower.<sup>1</sup>

## Next steps before May 22, 2020

- Review the key transition dates and be aware of when you will be restricted from account access or making changes within your account.<sup>2</sup>
- Prior to the blackout period, review your current investment elections at ICMA-RC and refer to the *Investment fund-mapping* section on pages 4 and 5, or visit **[RetireTucsonAZ.com](https://RetireTucsonAZ.com)** to compare how your elections will be transferred to the new investment options at Empower.
- Attend a transition meeting to learn more about the enhanced services available to you from Empower. Visit **[RetireTucsonAZ.com](https://RetireTucsonAZ.com)** for upcoming meeting dates and times.
- Carefully review this brochure for more information about the transition process and visit **[RetireTucsonAZ.com](https://RetireTucsonAZ.com)** for additional transition materials.

## Next steps after June 15, 2020

- Activate your new Empower account by visiting **RetireTucsonAZ.com**, click on the *REGISTER* button, and, under the *I do not have a PIN* tab, complete the required information.<sup>3</sup>
- Review your investment elections to check for correct fund mapping. Review the *Investment fund-mapping* section on pages 4 and 5 for more information.
- Your beneficiary information will transfer to Empower if it was on file with ICMA-RC prior to the transition. To add or update your beneficiary designations after the transition, visit **RetireTucsonAZ.com**.

## Key dates

DATE	EVENT	DETAILS
March 10-11, 2020	Town Hall Introduction held	These introductory meetings were held to provide an overview of the transition and an introduction to the responsible parties.
May 2020*	Transition meetings held	Visit <b>RetireTucsonAZ.com</b> for upcoming meeting dates and meeting registration information.
May 22, 2020	Blackout period begins	Make any fund transfers or account changes before 2 p.m. Mountain time.
May 28, 2020	Paycheck contribution to Plan	Your contribution will be deducted from your paycheck automatically and will show up in your new account at the end of the blackout period (June 15). Current contributions to the Plan will continue at the same rate they were prior to the start of the blackout period (May 22). If you are currently contributing to the ICMA-RC Roth IRA, beginning with your May 28, 2020 paycheck, you will no longer see a deduction for the Roth IRA as it will not be transferred with the transition to Empower. <sup>4</sup>
June 2, 2020	Transition of assets	Plan accounts will automatically transfer to Empower, with the exception of the ICMA-RC Roth IRA and the Vantagepoint Plus Fund. <sup>4,5</sup>
June 11, 2020	Paycheck contribution to Plan	Your contribution will be deducted from your paycheck automatically and will show up in your new account at the end of the blackout period (June 15). Current contributions to the Plan will continue at the same rate they were prior to the start of the blackout period (May 22). If you are currently contributing to the ICMA-RC Roth IRA, you will no longer see a deduction for the Roth IRA as it will not be transferred with the transition to Empower. <sup>4</sup>
June 15, 2020	Blackout period ends	You will be able to access and resume all account activities after close of business through the Plan website, <b>RetireTucsonAZ.com</b> , or by phone at <b>1-833-TCA-0005 (822-0005)</b> .
July 31, 2020	Final quarterly statements from ICMA-RC	ICMA-RC will send a final statement with your ending balance. <sup>5</sup>
July 31, 2020	First quarterly statement from Empower	Statements will be delivered electronically with your account balance. <sup>5</sup>

\*Transition meetings are scheduled to occur in May of 2020, prior to the start of the blackout period, via webinar due to COVID-19 restrictions.

These dates and times are subject to change. Please visit [RetireTucsonAZ.com](http://RetireTucsonAZ.com) for more information.

# Attend a meeting

Visit **RetireTucsonAZ.com** for upcoming meeting dates and register to attend a meeting where we will review additional information about the new Plan features and services. At these meetings, we will:

- Outline the details and important dates of the transition.
- Discuss your new investment options.
- Share information on how to manage your account.
- Answer your questions.

# New Plan features

With the move to Empower, we've introduced some new features to enhance the Plan:

- Lower, transparent investment and administrative fees.
- A simplified investment option lineup.
- Expanded counseling services with representatives available from 6 a.m. to 8 p.m. Monday – Friday and 7 a.m. to 3:30 p.m. Saturday (all times are Mountain Standard Time).
- 24-hour access to your account through the automated voice response system **1-833-TCA-0005 (822-0005)** and online at **RetireTucsonAZ.com**.
- A custom website with online resources — After the transition, explore the new website at **RetireTucsonAZ.com** and find helpful details about the Plan, discover your estimated income in retirement and see how you compare to your peers.

## Paperless solutions

In an effort to reduce paper clutter and increase security, you'll be enrolled in paperless document delivery during the transition. Your paperless features will include on-demand statements, online beneficiary updates and online contribution changes, all of which will be available when you log in to **RetireTucsonAZ.com** after the transition. The interactive voice response system at **1-833-TCA-0005 (822-0005)** also offers many of these same capabilities.

You can also ask that printed copies of your statements be mailed to you at no charge. Log in to your account after the transition and click your name at the top of the page, then click *Change communication preference* and complete the requested information.

## Education and planning tools and support

The better you understand your account, what it offers and how it can help you build the retirement income you'll need, the more you can take advantage of its features and benefits. You'll have access to the following options that can help you make informed decisions about meeting your retirement goals:

- One-on-one sessions and group meetings covering specific Plan features, investment information and distribution planning.
- Online and in-person seminars on a variety of topics, such as asset allocation and basic and advanced investment principles.
- Online financial tools and calculators to guide you through retirement planning and savings decisions.
- Online access to investment option information, including fund fact sheets and investment performance returns, prospectuses and disclosure documents.

## Retirement Readiness Reviews

Empower offers Retirement Readiness Reviews to all participants. These are one-on-one personalized meetings with your Retirement Plan Advisor designed to assess the current path you are on toward retirement, including:

- How your assets are allocated.
- Your savings rate.
- Your planned retirement age.
- The amount or percentage of your pre-retirement income you may need to replace.

Once the blackout is over, you can schedule your Retirement Readiness Review by contacting your assigned Retirement Plan Advisor.

## Empower Retirement Advisory Services

- Online Advice – Fund-specific recommendations provided at no additional cost to you
- My Total Retirement™ – Ongoing account management for an additional fee (see page 6 for fees)

The Plan offers Online Advice and My Total Retirement, part of the Empower Retirement Advisory Services suite of services offered by AAG (Advised Assets Group, LLC), a registered investment adviser.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

To learn more about Empower Retirement Advisory Services, please visit **RetireTucsonAZ.com** after the transition.

# Investment fund-mapping process

Your current account balance and future contributions will be transferred through an automatic process called fund mapping. Fund mapping is the process of transferring existing investment options to the same or similar options based on fund strategy and objectives, risk profile, holdings, and long-term performance potential.

Changes to the investment options have been made as a result of the recommendation of a professional third-party investment advisor, Innovest Portfolio Solutions. All changes have been reviewed and approved by the Deferred Compensation Plan Management Board.

Your investments and contributions will map to the same or similar mix of investments in the Empower lineup based on your current investment mix with the exception of one fund, the **Vantagepoint Plus Fund**. Current balances in the Vantagepoint Plus Fund will remain with ICMA-RC for a period of 12 months. The mapping of this fund to the Putnam Stable Value Fund is expected to occur in or around January of 2021. If you are currently contributing to the Vantagepoint Plus Fund, your future contributions will be invested in the Putnam Stable Value Fund.<sup>5</sup>

PRIOR INVESTMENT OPTION	NEW FUND OPTION	TICKER
Vanguard Mid Cap Index	Vanguard Mid Cap Index	VIMAX
Buffalo Discovery	Buffalo Discovery	BUFTX
Vanguard Small Cap Index	Vanguard Small Cap Index	VSMAX
PIMCO Total Return	PIMCO Total Return	PTTRX
Vanguard Total Bond Market Idx	Vanguard Total Bond Market Idx	VBTLX
JP Morgan Equity Income	JP Morgan Equity Income	OIEJX
JP Morgan US Equity	Vanguard Institutional Index	VINIX
Vanguard 500 Index	Vanguard Institutional Index	VINIX
Nuveen Real Estate Secs	Vanguard Institutional Index	VINIX
T. Rowe Price Growth Stock	T. Rowe Price Growth Stock	PRUFX
VT Fidelity Contrafund	T. Rowe Price Growth Stock	PRUFX
Victory Sycamore Est Value	Victory Sycamore Est Value	VEVRX
Victory Sycamore Small Co Opps	Victory Sycamore Small Co Opps	VSORX
JP Morgan Small Cap Core	Vanguard Small Cap Index	VSMAX
T. Rowe Price QM US SCG Eq	T. Rowe Price QM US SCG Eq	TQAIX
VT Diversified International	Fidelity Diversified International	FDIVX
Invesco Oppen Intl Growth	Fidelity Diversified International	FDIVX

PRIOR INVESTMENT OPTION	NEW FUND OPTION	TICKER
Inv Oppen Developing Markets	Inv Oppen Developing Markets	ODVIX
American Funds Cap World G&I	American Funds Cap World G&I	RWIGX
Vantagepoint MP Global Eq Gro	American Funds Cap World G&I	RWIGX
VT Retirement IncomeAdvantage	Great-West SecureFoundation Balanced Institutional*	MXCJX
PIMCO Low Duration Fund	PIMCO Total Return	PTTRX
PIMCO Real Return	PIMCO Total Return	PTTRX
PIMCO High Yield	PIMCO Total Return	PTTRX
Goldman Sachs Global Income	Vanguard Total Bond Market Idx	VBTLX
VT 5 Yr BoA CD Acct	Putnam Stable Value	PCSV20
VT Cash Management R5	Putnam Stable Value	PCSV20
VT Milestone Ret Income	American Funds 2010 Target Date	RFITX
VT Milestone 2015	American Funds 2015 Target Date	RFJTX
VT Milestone 2020	American Funds 2020 Target Date	RRCTX
VT Milestone 2025	American Funds 2025 Target Date	RFDTX
VT Milestone 2030	American Funds 2030 Target Date	RFETX
VT Milestone 2035	American Funds 2035 Target Date	RFFTX
VT Milestone 2040	American Funds 2040 Target Date	RFGTX
VT Milestone 2045	American Funds 2045 Target Date	RFHTX
VT Milestone 2050	American Funds 2050 Target Date	RFITX
VT Milestone 2055	American Funds 2055 Target Date	RFKTX
Vantagepoint Plus Fund	Putnam Stable Value	PCSV20
T. Rowe Price Pers Strat Inc	Various American Funds Target Date	N/A
T. Rowe Price Pers Strat Bal	Various American Funds Target Date	N/A
T. Rowe Price Pers Strat Growth	Various American Funds Target Date	N/A
	Vanguard Total International Stock Index <sup>6</sup>	VTIAX
	Causeway International Value <sup>6</sup>	CIVIX
	American Funds 2060 Target Date <sup>6</sup>	RFUTX

\*Only available in the Deferred Compensation 457(b) Plan.

# A new approach to fees

Every participant in the Plan currently pays fees. These fees are paid to ICMA-RC to cover indirect costs associated with recordkeeping and administrative expenses and direct costs paid to the managers of the investment options you have selected. This new structure will clearly show you all fees being charged to your account.

Beginning with your July 2020 statement, you will see administrative/recordkeeping fees clearly listed on each quarterly statement. If your investment fund makes revenue sharing payments, you will see any funds credited to you from revenue sharing clearly listed on your statement. This is because Empower returns these payments back to you, the participant, and deposits them directly back into your account.

## Administrative fee

Beginning June 2, 2020, your administrative/recordkeeping fee will be \$43 annually.

## Loan fees

If you take a loan from your account, there is a \$50 origination charge that will be deducted from your loan check. There will also be an annual maintenance fee of \$25, charged quarterly at \$6.25, which will be deducted from your account balance.

## Self-directed brokerage fees

A \$50 annual fee will be charged, assessed at \$12.50 quarterly, if you are invested in the self-directed brokerage account (SDBA) option. In addition, you may be charged for trades depending on the investment option(s) selected. An Empower Brokerage fee schedule will be provided to enrolled participants which will contain a list of fees. The Empower Brokerage account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments available through an Empower Brokerage account.

## My Total Retirement fees

If you choose to have AAG manage your account for you through My Total Retirement, the annual fee, assessed quarterly, will be based on a percentage of your managed account balance.

MANAGED ACCOUNT BALANCE	ANNUAL MY TOTAL RETIREMENT FEE
<\$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
>\$400,000	0.15%

# Frequently asked questions

## Will I be able to keep my TD Ameritrade Self-Directed Brokerage account?

The SDBA option will be changing providers as a result of the move to Empower. During the transition, the balance in your TD Ameritrade Self-Directed Brokerage account will be transferred to Empower Brokerage. Empower Brokerage provides new capabilities and features with a wide array of investment choices and competitive brokerage fees across all available investment options. After the transition is complete, your brokerage account balance will be reflected in your overall Plan balance. You will receive statements that will detail the investment holdings and activity within your Empower Brokerage account, including any fees and charges imposed in connection with the account.

## What will happen to my current loan?

If you currently have a loan balance in the Deferred Compensation 457(b) Plan, it will be transferred in full to Empower. Empower will be responsible for collecting loan repayments beginning with payments scheduled after June 15, 2020. By the end of April, you will receive a letter to re-solicit your ACH information. Coupons will be sent to repay the loan via check until the information is returned. It is your responsibility to make sure payments continue on time to avoid potential default of your loan.

## What if I am enrolled in the ICMA-RC Managed Accounts service?

If you previously elected to enroll in the ICMA-RC Professional Investment Management Program, you will be enrolled in My Total Retirement, offered by AAG, unless you issue instructions to ICMA-RC to opt out before the start of the blackout period. This means that if you no longer wish to have assistance managing your account, you will need to notify ICMA-RC. If you wish to remain in the service, you do not need to do anything — your assets will transfer, and you'll continue to receive professional investment management.

## Will Empower offer a Roth option?

Yes, a Roth option will be available to all participants in the Deferred Compensation 457(b) Plan. Once the transition is complete, you can log in to your new Empower account to elect Roth contributions.<sup>4</sup>

## I have elected to have state income taxes withheld from my distributions. Will I need to resubmit the form?

No, if you have previously elected to have state income taxes withheld from your distributions and you are currently receiving distributions from ICMA-RC, your state income tax election will be transferred and will continue to be deducted after the transition to Empower.

## Due to recent market volatility, should the transition from ICMA-RC to Empower be postponed until the market has begun to recover?

No, the overall value of the market does not have a direct impact on the transition from ICMA-RC to Empower. If you are currently invested in a fund with ICMA-RC that is mapping to a new fund with Empower, the balance will be liquidated and repurchased in the new fund. This may require one day where your money will not experience the normal gains and losses of the market. Your balance on the date of liquidation at ICMA-RC will be your beginning balance with Empower. If the fund remains the same with Empower, your balance will be transferred in-kind and your money will remain invested.

Visit [RetireTucsonAZ.com](https://www.RetireTucsonAZ.com) for additional frequently asked questions.

## Special note for employees who have retired or separated from service

If you are retired or have otherwise separated from service with the City and are receiving periodic payments from ICMA-RC, that information will transfer over, and Empower will continue distributing payments following the transition. After the transition, you can schedule a one-on-one counseling session with your assigned Retirement Plan Advisor. As a retiree or former employee, you are able to withdraw or transfer your funds before or after the blackout period. If you have made special arrangements regarding your periodic payments or have additional questions, call **1-833-TCA-0005 (822-0005)** to speak with an Empower representative.

## Managing your account: Online, by phone, face to face

With Empower, you have a choice of convenient ways to access and manage your account and the investment information you need.



**Online** – A feature-rich interactive website is available at [RetireTucsonAZ.com](https://www.RetireTucsonAZ.com) to research investment options, check your balance, request a distribution and receive professional portfolio advice. You can also access the website from your mobile device, so you can manage your account on the go.



**By phone** – You can speak with a customer service representative who can answer your questions by calling Empower at **1-833-TCA-0005 (822-0005)** Monday through Friday from 6 a.m. to 8 p.m. and Saturday, 7 a.m. to 3:30 p.m. (all times are Mountain Standard Time) after the transition. With the interactive voice response system, you can also monitor your account and make transactions at any time, 24 hours a day, seven days a week.



**Face to face** – You can meet with your assigned Retirement Plan Advisor to discuss your questions and specific retirement situation as well as topics such as contribution amounts, available catch-up amounts and asset allocation.





## Contact us

### Phone

**1-833-TCA-0005 (822-0005)** Monday through Friday from 6 a.m. to 8 p.m. and Saturday, 7 a.m. to 3:30 p.m. (all times are Mountain Standard Time).

The voice response system is available 24 hours a day, seven days a week.

### Online

Visit **RetireTucsonAZ.com** to learn more about the Plan's investment choices and access retirement planning tools.

- 1 These dates and times are subject to change based on the ability of ICMA Retirement Corporation and Empower Retirement to meet the associated deadlines and the successful transfer of data and assets by ICMA Retirement Corporation to Empower Retirement.
- 2 Transfer requests received on business days prior to close of the New York Stock Exchange (2 p.m. Mountain 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.
- 3 Please contact Empower immediately if you suspect any unauthorized use.
- 4 If you would like to continue to contribute to your ICMA-RC Roth IRA, contact your local ICMA-RC representative to learn more. If you continue to contribute to your ICMA-RC Roth IRA following the transition, contributions will no longer be automatically deducted from your pay. If you wish to continue contributing to a Roth option through the Deferred Compensation Plan, once the transition to Empower is complete, you may elect to contribute to the new Roth option available in the 457(b) Plan.
- 5 If you hold a balance in the Vantagepoint Plus Fund at the date of transfer of assets, you will continue to receive a quarterly statement from ICMA-RC reflecting your balance until the mapping of the Vantagepoint Plus Fund to the Putnam Stable Value Fund is complete. Your quarterly Empower statement will not include assets invested in the Vantagepoint Plus Fund. Once mapping to the Putnam Stable Value Fund is complete, your quarterly Empower statement will reflect your full account balance.
- 6 This is a new fund. ICMA-RC funds will not be mapped to this fund option.

*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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