



Frequently Asked Questions (FAQs) for the transition of 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 457(b) and 401(a) Plans ("Plan" or "the Plan") on June 2, 2020.

Updated on 4/20/20, new information indicated in green.

QUESTION

ANSWER

Why is the City of Tucson making this change?

The City is committed to providing a retirement plan that reflects industry best practices. After a comprehensive selection process, the City chose Empower as the company that offered the best fit for Plan participants. The updates are designed to strengthen the Plan, provide new Plan enhancements and help you pursue your retirement savings goals more effectively. Visit empowermyretirement.com to learn more about Empower.

Is it possible to keep my ICMA-RC account?

No. Your entire Plan account balance with ICMA-RC will be transferred to Empower.¹ The transition process will be automatic, no action is required on your part to transfer your account.

How do I learn more about the transition?

A Transition Bulletin will be mailed to you in late April, which will include more details about the transition process with key dates, important information about new investment options and how to access your new account with Empower. Visit RetireTucsonAZ.com for additional information about the transition.

Will I still have the same investment options with Empower?

The investment options with Empower will be the same or similar to the investment options available with ICMA-RC. Your investments and contributions will map to the same or similar mix of investments in the Empower line-up based on your current investment mix. 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. [View page 4 for more information about the new fund lineup, including a fund mapping table, or visit \[RetireTucsonAZ.com\]\(https://RetireTucsonAZ.com\).](#)

What happens if I have a balance in a fund that is being eliminated?

It will not be possible for you to keep a fund that is not in the new line-up. The balance in an eliminated fund will be mapped to an investment in the new line-up.

Will my money stay invested during the transition to Empower?

Your money will remain invested and be subject to gains and losses based on the normal market fluctuation. If you are currently invested in a fund with ICMA-RC that is mapping to a new fund with Empower, during the transition of assets, the balance in your account will be liquidated and repurchased in the new funds. This liquidation process requires one day where your money may not experience the normal gains and losses of the market. Whatever your balance is 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.

Will there be a period of time when I cannot access my account?

To help ensure an accurate transfer of assets and records from ICMA-RC, there will be a blackout period during which time 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 announcement will be sent to all participants notifying you when the Plan is live with Empower.²

QUESTION

ANSWER

How do I choose where my future paycheck contributions go?

Current contributions to the Plan will continue at the same rate they were prior to transition. After the transition to Empower, changes can be made online, over the phone or with your assigned Retirement Plan Advisor.

Can I withdraw/or roll over my accounts into a personal investment account?

No. These are employer-sponsored Plans and, with very few exceptions, IRS rules do not allow for transfers out of the Plan during employment.

Can I make investment changes during the blackout period?

No, during the blackout period your money will remain invested in your selected investment options and you will not be able to make changes to your account.

How do I measure performance of funds in the new fund line-up?

After the transition is complete, visit [RetireTucsonAZ.com](https://www.RetireTucsonAZ.com) for additional investment information, including fund fact sheets and investment performance returns, prospectuses and disclosure documents.

What happens to any contributions during the blackout period?

During the blackout period your contributions will be invested into the mapped accounts most similar to what you had chosen with ICMA-RC. [View page 4 for more information about the new fund lineup, including a fund mapping table, or visit \[RetireTucsonAZ.com\]\(https://www.RetireTucsonAZ.com\).](#)

If your assets are being invested into the default fund currently utilized by the City through ICMA-RC, they will be invested with Empower in the default fund selected through the City, which is an American Fund Target Date Fund based on your birth year. The date in the name of the target date fund is the assumed date of retirement. The asset allocation becomes more conservative as the fund nears the target retirement date; however, the principal value of the fund is never guaranteed.

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.¹

Will I be able to keep my ICMA-RC Roth IRA?

A Roth IRA is an individual retirement account outside of the City of Tucson's Deferred Compensation Plan and is not considered an asset of the Plan. Therefore, your ICMA-RC Roth IRA will not be transferred with the transition to Empower. 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. Contact your local ICMA-RC representative to learn more about how you can continue to contribute to your ICMA-RC Roth IRA. Please note, if you continue to contribute to your ICMA-RC Roth IRA, it will no longer be 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.¹

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

No. 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 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.

Is there a fee associated with the Empower Brokerage Self-Directed Brokerage account?

The annual maintenance fee for Empower Brokerage is \$50, assessed at \$12.50 quarterly. 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.

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. You will receive a letter to re-solicit your ACH information by the end of April and 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.

QUESTION

ANSWER

What happens if I am currently retired or separated from the City?

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.

I have elected to have state income taxes withheld from my distributions, will I need to re-submit 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.

What are Plan administrative expenses and how do they get paid?

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.

Beginning with your July 2020 statement, your fees will be disclosed in a more straightforward and transparent way. You will see administrative/recordkeeping fees clearly listed on each quarterly statement. The Transition Bulletin will provide more information about Plan fees.

Will my new account statements be mailed to my home address?

You will be enrolled in paperless document delivery during the transition. Starting with your July 2020 statement, your Empower statement will be delivered electronically and will include your full account balance. If you prefer printed copies of your statement, once the transition is complete, you can request printed copies be mailed to you at no charge.

To request printed statements, after June 15, 2020, call **1-833-TCA-0005 (822-0005)** or log in to your new Empower account at **RetireTucsonAZ.com**. Click on your name in the top right corner, scroll down to the *Communication preference* section and click *Change*. Unselect the box marked *E-delivery* and click *Save*.

How will I manage my account with Empower?

Once the transition is complete, you can manage your account online at **RetireTucsonAZ.com**, by phone at **1-833-TCA-0005 (822-0005)** or face to face with your assigned Retirement Plan Advisor. The Transition Bulletin will provide more information about managing your account with Empower.

What type of investment help can I receive?

After the transition, you will have access to Online Advice and My Total Retirement, part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser. The Transition Bulletin will provide more detail about the services available. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

You will also have the opportunity to meet one-on-one with your assigned Retirement Plan Advisor for Retirement Readiness Reviews, during which time you can review your investment strategy and the investment options available to you.

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

If you are currently enrolled in the ICMA-RC Managed Accounts service, during the transition you will be enrolled in Empower's managed account service, My Total Retirement, offered by Advised Assets Group, LLC.* 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. If you no longer wish to have assistance managing your account, you can discontinue your enrollment in the service prior to the start of the blackout period by notifying ICMA-RC. Or, following the transition, you can notify Empower that you would like to opt out of the service.

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.

*Online Advice and My Total Retirement™ are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

Key Dates³

May 2020 - Transition meetings

Review the transition process, new fund lineup, Plan features and learn more about managing your account.

May 22, 2020 - Blackout period begins

Make any fund transfers or account changes before 2 p.m. Mountain time.

June 2, 2020 - Transition of assets

Plan accounts will automatically transfer to Empower.

June 15, 2020 - Blackout period ends

You will be able to access and resume all account activities after close of business through the new Plan website and phone number.

New Fund Lineup

The new fund lineup is a streamlined list of funds that have been selected for value and performance. At the time of selection, these investment options had generated competitive returns compared to peer funds and benchmarks. 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.

During the transition to Empower, 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.⁴

Please review your current investment elections at ICMA-RC prior to the start of the blackout period to ensure proper fund mapping of contributions remitted to Empower for your June 2020 payroll contributions.

PRIOR FUND	TICKER	NEW FUND	TICKER
VT Milestone Ret Income	VPMSA	American Funds 2010 Target Date	RFITX
VT Milestone 2015	N/A	American Funds 2015 Target Date	RFJTX
VT Milestone 2020	N/A	American Funds 2020 Target Date	RRICTX
VT Milestone 2025	N/A	American Funds 2025 Target Date	RFDTX
VT Milestone 2030	N/A	American Funds 2030 Target Date	RFETX
VT Milestone 2035	N/A	American Funds 2035 Target Date	RFFTX
VT Milestone 2040	N/A	American Funds 2040 Target Date	RFGTX
VT Milestone 2045	N/A	American Funds 2045 Target Date	RFHTX
VT Milestone 2050	N/A	American Funds 2050 Target Date	RFITX
VT Milestone 2055	N/A	American Funds 2055 Target Date	RFKTX
Vanguard Small Cap Index	VSMAX	Vanguard Small Cap Index	VSMAX
JP Morgan Small Cap Core	VSSCX		
T. Rowe Price QM US SCG Eq	PRDSX	T. Rowe Price QM US SCG Eq	TQAIX
Victory Sycamore Small Co Opps	VSOIX	Victory Sycamore Small Co Opps	VSORX
Vanguard Mid Cap Index	VIMAX	Vanguard Mid Cap Index	VIMAX
Buffalo Discovery	BUFTX	Buffalo Discovery	BUFTX
VT Diversified International	FDIVX	Fidelity Diversified International	FDIVX
Invesco Oppen Intl Growth	OIGAX		
Inv Oppen Developing Markets	ODVYX	Inv Oppen Developing Markets	ODVIX
American Funds Cap World G&I	RWIGX	American Funds Cap World G&I	RWIGX
Vantagepoint MP Global Eq Gro	N/A		

Next Steps

- ✓ Review the key transition dates and be aware of when you will be restricted from account access or making changes within your account.
- ✓ Review the Transition Bulletin —which you will be receiving in the mail in late April —and attend a transition meeting, via webinar, to learn more about the enhanced services available to you from Empower.
- ✓ Review your current investment elections at ICMA-RC and use the fund mapping chart below to compare how your elections will be transferred to the new investment options at Empower.

PRIOR FUND	TICKER	NEW FUND	TICKER
Victory Sycamore Est Value	VETAX	Victory Sycamore Est Value	VEVRX
T. Rowe Price Growth Stock	PRGFX	T. Rowe Price Growth Stock	PRUFX
VT Fidelity Contrafund	FCNTX		
JP Morgan Equity Income	OIERX	JP Morgan Equity Income	OIEJX
JP Morgan US Equity	JUEMX		
Vanguard 500 Index	VFIAX	Vanguard Institutional Index	VINIX
Nuveen Real Estate Secs	FARCX		
Vanguard Total Bond Market Idx	VBTLX	Vanguard Total Bond Market Idx	VBTLX
Goldman Sachs Global Income	GSLGX		
PIMCO Total Return	PITRX		
PIMCO Low Duration Fund	PLDAX	PIMCO Total Return	PTTRX
PIMCO Real Return	PARRX		
PIMCO High Yield	PHIYX		
VT 5 Yr BoA CD Acct	N/A		
VT Cash Management R5	N/A	Putnam Stable Value	PCSV20
Vantagepoint Plus Fund	N/A		
T. Rowe Price Pers Strat Inc	PRSIK		
T. Rowe Price Pers Strat Bal	TRPBK	Various American Fund TD	N/A
T. Rowe Price Pers Strat Growth	TRSGK		
VT Retirement IncomeAdvantage	N/A	Great West SecureFoundation Balanced Intl ⁵	MXCJX

NEW INVESTMENT OPTIONS AVAILABLE IN JUNE 2020

	TICKER
Vanguard Total International Stock Index	VTIAX
Causeway International Value	CIVIX
American Funds 2060 Target Date	RFUTX



Contact us

Phone

1-833-TCA-0005 (822-0005)

Representatives are available 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).

Online

Visit [RetireTucsonAZ.com](https://www.RetireTucsonAZ.com) to learn more about the transition to Empower.

Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower Retirement for a prospectus, summary prospectus for SEC registered products or disclosure document for unregistered products, if available, containing this information. For prospectuses related to investments in your self-directed brokerage account (SDBA), contact your SDBA provider. Read them carefully before investing.

1 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.

2 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.

3 Additional information about key dates will be provided in the Transition Bulletin. For additional information about transition meetings, visit [RetireTucsonAZ.com](https://www.RetireTucsonAZ.com).

4 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.

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

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ICMA Retirement Corporation and TD Ameritrade are not affiliated with Empower Retirement, LLC and its affiliates.

Transaction requests received in good order after the close of the New York Stock Exchange will be processed the next business day.

Asset allocation and/or diversification do not ensure a profit or protect against loss.

Asset allocation funds may be subject to operating expenses for the fund and for each underlying fund.

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