



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 457(b) and 401(a) Plans ("Plan" or "the Plan"). This transition will be complete in June 2020.

Frequently Asked Questions (FAQs)

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 www.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. The transition process will be automatic, no action is required on your part to transfer your accounts.

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.

How do I learn more about the transition and the new funds available with Empower?

A Transition Bulletin will be mailed to you in late April and will provide a detailed breakdown of the investment fund mapping process with the new fund line-up. In addition, the Transition Bulletin will include more details about the transition process, with key dates, such as upcoming transition meeting dates, where you will have the opportunity to meet your Empower Retirement Plan Advisor and learn more about the new Plan features.

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 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.¹

QUESTION**ANSWER**

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. Additional information will be provided in the Transition Bulletin.

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 will 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.

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?

Investment performance information for each option in the new line-up will be available on the Empower website following the transition.

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 Retirement Plan Advisor.

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. A mapping chart will be provided in the Transition Bulletin.

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.

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 Retirement Plan Advisor for Retirement Readiness Reviews, during which time you can review your investment strategy and the investment options available to you.

QUESTION**ANSWER**

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.

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 Plan, it will be transferred in full to Empower. You will receive a letter to re-solicit your ACH information near the end of the blackout period, and coupons will be sent to repay the loan via check until the information is returned.

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.

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 a dedicated Retirement Plan Advisor. As a retiree or former employee, you are able to withdraw or transfer your funds before or after the blackout period.

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

Every participant in the Plan currently pays fees to ICMA-RC to cover costs associated with recordkeeping and administrative expenses. The fund managers for the Plan's investment options also charge fees to cover the costs of managing their respective funds.

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.

How will I manage my account with Empower?

Once the transition is complete, you can manage your account online, by phone or face to face with your Retirement Plan Advisor. The Transition Bulletin will provide more information about managing your account with Empower.

Key Dates*

May 2020 — Transition meetings

Meet your Empower Retirement Plan Advisor, 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.

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 group meeting or 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 in the Transition Bulletin to compare how your elections will be transferred to the new investment options at Empower.

Visit www.tucsonaz.gov/retirement/deferred-compensation for up-to-date information about the transition, or call (520) 791-4598 if you have any questions.

*Additional information about key dates, including transition meeting dates and times, will be provided in the Transition Bulletin.

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 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.

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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.

Securities available through Empower Brokerage are offered by GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company. Clearing, settlement, custody and other brokerage services are provided by Pershing LLC, Member FINRA/NYSE/SIPC and a wholly owned subsidiary of The Bank of New York Mellon Corporation. Additional information may be obtained by calling 877-788-6261. GWFS and Pershing are separate and unaffiliated brokerage firms. Accounts are subject to review and approval of GWFS.

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