

Louisiana

PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

Plan Features and Highlights

THE LOUISIANA PUBLIC EMPLOYEES 457(B) DEFERRED COMPENSATION PLAN (PLAN) IS A POWERFUL TOOL TO HELP YOU REACH YOUR RETIREMENT DREAMS.

As a supplement to other retirement benefits or savings that you may have, this voluntary Plan allows you to save and invest extra money for retirement—tax deferred!

Not only will you defer taxes immediately, but you may also build extra savings consistently and automatically, select from a variety of investment options, and learn more about saving and investing for your financial future.

Read these highlights to learn more about your Plan and how simple it is to enroll. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.



GETTING STARTED

What is a 457 deferred compensation plan?

The Plan is a governmental 457 deferred compensation plan, which is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax and/or after-tax Roth dollars through a voluntary salary contribution. Pre-tax contributions and any earnings on contributions are tax-deferred until money is withdrawn.

Roth contributions are made with after-tax dollars, and earnings are tax-free with tax-free distributions when qualifying events have occurred. Refer to the Distributions section for more specific information.

Why should I participate in the Plan?

You may want to participate if you are interested in saving and investing additional money for retirement and/or reducing the amount of current state and federal income tax you pay each year. The Plan can be an excellent tool to help make your future more comfortable.

You may also qualify for a federal income tax credit by participating in this Plan.

For more information about this tax credit, please contact a Retirement Plan Advisor in your area. Go to **LouisianaDCP.com** and click on *Contact us* to find your Advisor.

Who is eligible to enroll?

All current full-time and part-time Louisiana public employees are immediately eligible to participate in the Plan.

Certain independent contractors of the State of Louisiana employer may be eligible to participate in the Plan as well. Ask your employer for more information.

How do I enroll?

You may enroll by accessing the participant website: **LouisianaDCP.com**. Click on *Register* and choose the appropriate tab. (The Plan Enrollment Code may be obtained either from your employer/payroll or your Retirement Plan Advisor.) Complete your demographic information and establish your username and password. The easy enrollment will default you to a 6% contribution into the appropriate age-based LifePath Target Date Fund.



What types of contributions can I make?

Traditional 457

- › Contributions are made with pre-tax dollars.
- › Any potential earnings on your contributions grow tax-free, and your distribution is taxable.
- › Participation lowers your current taxable income because you postpone paying taxes on contributions to the Plan.

Roth 457

- › Contributions are made with after-tax dollars.
- › Any Roth money, including contributions and potential earnings, will grow tax-free in your account.
- › Your distribution is income tax-free if you are at least 59½ and eligible for a distribution from your Plan, and you withdraw your Roth contributions and any earnings after holding the account for at least five tax years.
- › Participation does not change your current taxable income.

If the Roth option is right for you, make the appropriate changes to your account by completing a Salary Deferral Agreement form. If you are a LA Gov HCM employee, you may make changes via **LouisianaDCP.com** or the voice response system at **(800) 937-7604**.

What are the contribution limits?

In 2020, the maximum contribution amount is 100% of your includible compensation or \$19,500, whichever is less. The maximum may be indexed in \$500 increments after 2020. If you utilize both the traditional and Roth 457 contributions together, they must not exceed the annual total contribution limit.

Participants in the Plan have two different opportunities to catch up and contribute more during the final years of their career. The Special Catch-up allows participants in the three calendar years prior to normal retirement age to contribute more to the Plan (up to double the annual contribution limit—\$39,000 in 2020). The additional amount that you may be able to contribute under the Special Catch-up option will depend upon the amounts that you were eligible to contribute in previous years but did not.

Also, participants turning age 50 or older in 2020 may contribute an additional \$6,500. You may not use the Special Catch-up provision and the Age 50+ Catch-up provision in the same calendar year. Please call **(800) 937-7604** for assistance with the Special Catch-up if you think you qualify.

What are my investment options?

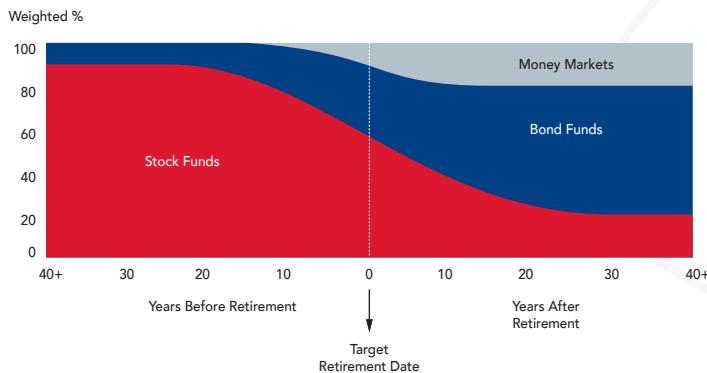
A lineup of core investment options is available through your Plan. Investment option information is available through the website at **LouisianaDCP.com** and the voice response system toll free at **(800) 937-7604**. The website and voice response system are available to you 24 hours a day, seven days a week.

If you enroll for the first time but don't choose any investment options, you will be defaulted into a BlackRock LifePath Fund¹ based on your potential retirement year. To find a complete listing of the LifePath Funds, visit **LouisianaDCP.com**, then click on *Investment information*, then *Fund fact sheets*. Look for the funds listed under *Asset Allocation*. Target date funds are a diversified mix of underlying funds whose asset allocations change over time to become more conservative as the target date nears.

The investments in the target date funds will gradually shift from more aggressive to more conservative as the target date approaches. The funds are designed to provide an age-appropriate mix of long-term appreciation and capital preservation and are adjusted based on the number of years left until the funds' target dates.

The funds provide a professionally allocated mix from your first days in the Plan all the way through retirement.

This slow transition of a fund's asset allocation from more aggressive investments to more conservative investments is often referred to as the fund's glide path. The date in a target date fund represents an approximate date when an investor would expect to retire. The principal value of a fund is not guaranteed at any time, including at the target date.



FOR ILLUSTRATIVE PURPOSES ONLY. Intended to illustrate possible investment portfolio allocations that represent an investment strategy based on risk and return. This is not intended as financial planning or investment advice.

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. For prospectuses related to investments in your Self-Directed Brokerage Account (SDBA), contact TD Ameritrade at (866) 766-4015. Read prospectuses carefully before investing.

Self-directed brokerage

In addition to the core investment options, a self-directed brokerage account (SDBA) is available through TD Ameritrade. The SDBA allows you to select from numerous mutual funds for an additional annual administrative fee of \$60 per person, deducted from your account at \$15 quarterly (plus any additional trading and transaction fees).

You are required to maintain a minimum balance in your core account of \$2,500.

The SDBA is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDBA.

SDBAs are not monitored by the Commission or investment consultant to the Plan. You will receive a separate statement of your holdings and activity from TD Ameritrade.

Call TD Ameritrade at (866) 766-4015 for more information.

MANAGING YOUR ACCOUNT

How do I keep track of my account?

You may access your account anytime by logging in to **LouisianaDCP.com** or calling the voice response system at **(800) 937-7604**. Quarterly statements from Empower Retirement are available on the website.

How do I make contribution and investment option changes?

Use your username and passcode to access the website, or you can use your Social Security number and passcode to access the voice response system. You may make contribution changes, move all or a portion of your existing balances among investment options, and change how your payroll contributions are invested by logging in to the website or calling **(800) 937-7604**.

ROLLOVERS

May I roll over my account from my former employer's plan?

Yes. However, only approved balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an individual retirement account (IRA) may be rolled over to the Plan.²

May I roll over my account if I leave employment with my current employer?

If you sever employment with your current employer, you may roll over your account balance to another eligible governmental 457(b), 401(k), 403(b) or 401(a) plan if your new employer's plan accepts such rollovers. You may also roll over your account balance to an IRA. No taxes will be withheld from your transfer amount.

Please keep in mind that if you roll over your Plan balance to a 401(k), 403(b) or 401(a) plan or IRA, distributions taken before age 59½ may also be subject to the 10% early withdrawal federal tax penalty. Please contact your Empower Retirement representative for more information.

As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers, with your Retirement Plan Advisor and to consider costs, risks, investment options and limitations prior to investing.

VESTING

When am I vested in the Plan?

Vesting refers to the percentage of your account you are entitled to receive from the Plan upon the occurrence of a distributable event. Your contributions to the Plan (including rollovers from previous employers) and any earnings they generate are always 100% vested.

DISTRIBUTIONS

When can I receive a distribution from my account?

If you have separated from service for at least 30 days and have a qualifying distributable event, you are eligible for a distribution.

Such events are as follows:

- › Retirement
- › Unforeseeable emergency
- › Severance of employment (as defined by Internal Revenue Code provisions)
- › Attainment of age 70½
- › Death (your beneficiary receives your benefits)
- › In-service transfer to purchase service credit
- › In-service de minimis

Each pre-tax distribution is subject to ordinary income tax except for an in-service transfer to purchase service credit.

Each Roth 457 distribution is income tax-free if you are at least 59½ and eligible for a distribution from your Plan, and you withdraw your Roth contributions and any earnings after holding the account for at least five tax years. It does not change your current taxable income.

No early withdrawal penalties

Early distribution penalties do not apply to 457(b) deferred compensation plans for eligible withdrawals of 457 pre-tax money. Any withdrawals will be taxed as ordinary income and will be subject to a 20% mandatory withholding. The withdrawals are also subject to state income tax.

What are my distribution options?

1. Leave the value of your account in the Plan.
2. Set up payment(s) in one of the following forms:
 - › Periodic payments
 - › Partial lump sum
 - › Lump sum
3. Roll over your account balance to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or to an IRA.

What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact the Plan administrator to request a distribution.

FEES

Are there any fees to participate in the Plan?

The Plan will assess an administrative fee, based on the schedule outlined below, which will be assessed quarterly and will be disclosed on the *Activity* section of your quarterly statement and in *Transaction history* on the participant website, **LouisianaDCP.com**, upon login.

The administrative fee structure is tiered based on account balance and is as follows:

- › Participants will pay a \$2.50 quarterly flat fee on the first \$5,000 of their balance or \$10 annually.
- › Participants will pay an 0.20% annual fee (0.05% quarterly) on the next balance amount of \$5,000.01 to \$50,000.
- › There is no fee on balances at \$50,000.01 and above.

EXAMPLES

For a \$10,000 balance:

Total fee is \$5 quarterly/\$20 annually

- › \$2.50 quarterly flat fee for first \$5,000
- › 0.05% for the remaining \$5,000 balance or \$2 quarterly ($\$5,000 \times 0.0005 = \2.50)
- › \$2.50+\$2.50= \$5 quarterly

For a \$100,000 balance:

Total fee is \$25 quarterly/\$100 annually

- › \$2.50 quarterly flat fee for first \$5,000
- › 0.05% for the remaining \$45,000 balance or \$22.50 quarterly ($\$45,000 \times 0.0005 = \22.50)
- › No fees for the remaining \$50,000.01 balance
- › \$2.50+\$22.50= \$25 quarterly

Are there any fees for the investment options?

All loads (sales charges) on purchase transactions are waived on core investment options within the Plan.

Each investment option has an expense ratio that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for investment management expenses, fund operating expenses and revenue sharing.

To view these fees, go to **LouisianaDCP.com**, click on *Investment information*, then *Fund fact sheets* to download each fund fact sheet. For example, a \$5,000 balance in a fund with a 0.96% expense ratio would be assessed a fee of \$12 per quarter. This implicit fee is built into or included in the share price of the investment option.

Funds may impose redemption fees on certain transfers, redemptions or exchanges. Asset allocation funds may be subject to a fund operating expense at the fund level as well as the prorated fund operating expenses of each underlying fund in which they invest. For more information on all applicable fees, please refer to the fund prospectus. Prospectuses are also available under *Investment information* at

LouisianaDCP.com.

Are there any distribution fees?

There are currently no distribution fees for the Plan.

LOANS

May I take a loan from my account?

Your Plan allows you to borrow the lesser of \$50,000 or 50% of your total account balance. The minimum loan amount is \$1,000, and you have up to five years to repay your loan—up to 15 years if the money is used to purchase your primary residence.

Participants may have a maximum of one outstanding loan at any time. There is a \$50 origination fee for each loan, plus an ongoing quarterly maintenance fee of \$6.25. The loan origination fee is deducted from the principal balance of the loan proceeds. All loan payments are payroll deducted. If your employer opts out of this process, you will not be eligible for a loan.

The quarterly maintenance fee is assessed against your remaining account balance. The interest rate for the loan is 2% over the prime rate as published in *The Wall Street*

Journal on the first business day of the month before the loan is originated. For more information on loans, contact the Louisiana Deferred Compensation Plan at **(800) 937-7604**.

Important note: In the event you pay off a loan, there is a 30-day waiting period before another loan request can be processed.

TAXES

How does my participation in the Plan affect my taxes?

Pre-tax: Because traditional pre-tax 457 contributions are taken out of your paycheck before taxes are calculated, you generally pay less in current income tax.

You do not report any current earnings or losses on your account on your current income tax return either. Your account is tax deferred until you withdraw money, which is usually during retirement.

Distributions from the Plan are taxable as ordinary income during the years in which they are distributed or made available to you or your beneficiary(ies).

Roth: Your distribution is tax-free income if you are at least 59½ and eligible for a distribution from your Plan, and you withdraw your Roth contributions and any earnings after holding the account for at least five tax years. It does not change your current taxable income.

INVESTMENT ASSISTANCE

How can I get help with my investment decisions?

The State of Louisiana cannot give investment advice. However, your Retirement Plan Advisor with Empower can provide investment advice. Upon request, a Retirement Readiness Review will be conducted to assist you with your investment choices, contributions amount, retirement age and Spend-Down Advice. This is a very valuable service to help you understand how to make this Plan work for you.



How can I get help choosing my investment options?

Your Plan offers a suite of services called Empower Retirement Advisory Services, offered by Advised Assets Group, LLC, a registered investment adviser. You may select My Total Retirement™ to have AAG manage your Plan account for you. If you prefer to manage your retirement account on your own, you may select any investment option or options, and you may also use Online Advice. These services provide a personalized retirement strategy for you based on your investment goals, time horizon and risk tolerance.

For more detailed information, please visit your Plan's website at **LouisianaDCP.com** or call your local Baton Rouge office to speak to a Retirement Plan Advisor.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.³

How do I get more information?

Visit the website at **LouisianaDCP.com** or call

Empower's voice response system toll free at
(800) 937-7604 for more information.

The website provides information regarding your Plan, your future retirement income projection, financial education information, financial calculators and other tools to help you manage your account.

We recommend setting up an appointment with an Empower Retirement Plan Advisor near you by contacting the Louisiana Public Employees Deferred Compensation Plan office at:

9100 Bluebonnet Centre Blvd., Suite 203

Baton Rouge, LA 70809

(800) 937-7604

What fees do I pay to participate in Advisory Services?

Two levels of service are available with advisory services:

- › Online Advice: Available at no additional cost.
- › My Total Retirement: The annual fee will automatically be deducted from your account balance quarterly based on a percentage of your managed account balance, as the table below shows.

Participant Managed Account Balance	Annual Fee
Up to \$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
Greater than \$400,000	0.15%

For example, if your managed account balance is \$50,000, the maximum annual fee will be 0.45%, or 0.1125% per quarter, which equates to \$225 annually, or \$56.25 quarterly.

As shown in the table below, if your managed account balance is \$125,000, the first \$100,000 will be subject to a maximum fee of 0.45% annually, or 0.1125% quarterly, and the next \$25,000 will be subject to a maximum annual fee of 0.35%, or 0.0875% quarterly.

\$100,000 x 0.1125%	= \$112.50 quarterly
\$25,000 x 0.0875%	= \$21.88 quarterly
Total quarterly fee	= \$134.38 (or \$537.52 yearly)

This material has been prepared for informational and educational purposes only and is not intended to provide investment, legal or tax advice.

1 Asset allocation and balanced investment options and models are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds and bonds/bond funds.

2 Money from other types of plans or accounts that are rolled over into a governmental 457 plan may still be subject to the 10% federal early withdrawal penalty upon distribution from the 457 account prior to the investor reaching age 59½.

3 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.

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