You Have Time, Use It.

One of the best things you can do for your future is to begin saving now.

Savings Plus is with you for life.
Who We Are.

Savings Plus is complementary to your CalPERS pension and is a valuable state benefit offered by CalHR.

We offer multiple plans that allow you to save money for your retirement. Our plans help bridge any gap between what you have in your pension, savings, and Social Security and how much you will need in retirement.

We encourage you to make the most of your participation by using the many tools and resources developed to help you on your path to retirement.

Savings Plus is with you for life!
Welcome.

Your two major sources of income through retirement will likely be your pension and Social Security benefits.

On average, a public pension will provide about 50% of your pre-retirement income after 25 years of service and Social Security benefit assessments vary. Most industry experts agree that you’ll need to supplement these benefits with savings or investments.¹ Experts suggest you may need 70-90% of your current income just to maintain your standard of living in retirement, so you may be looking at a gap between the income you need and what your other income may provide.

Additionally, you may want to consider how the following could impact where and how you think you will spend your retirement income:

- Increases in medical and long-term care costs
- Benefits not keeping up with inflation
- Possibility of career changes before qualifying for a full pension
- Outliving your resources

This interactive guide can help you make decisions about saving for retirement with Savings Plus and filling that potential gap before it starts by saving a little every payday throughout your career.

Let’s get started!

A Few Great Reasons to Enroll in Savings Plus.

<table>
<thead>
<tr>
<th>Easy to contribute</th>
<th>The power of compounding</th>
</tr>
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<tbody>
<tr>
<td>Pre-tax and Roth contributions to 401(k) and 457(b) plans are automatically deducted from your paycheck.</td>
<td>The earlier you start saving, the less it may cost per pay period to reach your goal.</td>
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</tbody>
</table>

- That’s because your monthly contributions and any earnings are continually reinvested. This process, called compounding, uses time to help your money make money for you. While using the concept of compounding doesn’t guarantee that you will have enough money through retirement, it can be a powerful engine for potential asset growth, especially through long-term savings programs like Savings Plus’ 401(k) and 457(b) retirement plans.

<table>
<thead>
<tr>
<th>Flexible contributions</th>
<th>“Auto” service features</th>
</tr>
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<tbody>
<tr>
<td>There are two ways to contribute — select a percentage of pay or identify a dollar amount. When you select Percentage of Pay, your contribution amount automatically increases each time you receive a salary increase. That makes it really easy to contribute more! Plus, you can change your investment mix and contribution amount at any time.</td>
<td>When you use our Auto Increase feature, your contribution amount automatically increases when you want it to. When you use our Auto Asset Rebalancing feature, your account automatically rebalances quarterly based on the date it’s initiated.</td>
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<tr>
<th>Lower administration and investment operating expenses</th>
<th>Personal assistance</th>
<th>Diverse investment options</th>
</tr>
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<tbody>
<tr>
<td>Because of the size of Savings Plus, we can negotiate lower fees than may be available to participants through other retirement plans. In fact, the monthly administration fee is only $1.50 per month per plan.</td>
<td>Licensed and noncommissioned Retirement Specialists located throughout the state and in our Sacramento-based Walk-in Service Center are ready to assist you every step of the way, up to and through retirement.</td>
<td>Savings Plus offers a diverse lineup of investment choices from which to build your portfolio.</td>
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What are the Plan Types?

401(k) allows participants to contribute on both a pre-tax and Roth basis. Distribution options can begin without a 10% early withdrawal tax after age 59½ while still employed by the state or age 55 if separated from state service. Note: public safety employees age 50 or older who retire or separate from service are not subject to the additional 10% early withdrawal tax on their 401(k) plan account.

457(b) allows participants to contribute on both a pre-tax and Roth basis. Distributions can begin without a 10% early withdrawal tax at any age. Withdrawals cannot be taken while still employed with the state (except for Unforeseeable Emergencies or in-service withdrawals).

Contribution types — Pre-tax vs. Roth

Savings Plus offers you flexibility in how you save for retirement. You may choose to make pre-tax, Roth, or both types of contributions to both the 401(k) and 457(b) Plans.

Pre-tax contributions

- Come out of your pay before taxes are deducted. Meaning more money goes into your account than comes out of your take-home pay
- Lowers your taxable income now
- Earnings grow tax-deferred until withdrawn
- Withdrawals are taxed as ordinary income

Roth contributions

- Come out of your pay after taxes are deducted
- Contributions and related earnings may be withdrawn tax-free during retirement if certain criteria are met
- Participation has no income restrictions (like a Roth IRA)
- Can be used for estate planning
- Offers tax planning flexibility in retirement

Check which plan and contribution type(s) may be best for you.
- Pre-tax 401(k)
- Roth 401(k)
- Pre-tax 457(b)
- Roth 457(b)

Important: Visit savingsplusnow.com for in-depth plan information.

Choose your contribution method.
- Percentage of Pay
- Dollar amount

Contributions can be specified as a percentage of pay or a dollar amount.
Investing Styles.

You decide how involved you want to be with selecting and managing your funds. Whether you need a little help, a lot of help, or no help at all, Savings Plus has you covered.

When you enroll using the enrollment form, your contributions will post to the Target Date Fund that aligns with your date of birth. More investment options are available if you choose to enroll online. Consider the investing approaches below to help you make your decisions.

**Do it for me**

Target Date Funds offer the convenience of a single, diversified investment strategy that automatically becomes more conservative as the fund approaches a specific target date. This date is typically selected in alignment with your date of birth. The asset allocations in the Target Date Funds are rebalanced each April, becoming more conservative as the target date approaches. Each Target Date Fund assumes age 62 as the date you will begin taking distributions, but you should choose the Target Date Fund that best matches your goals.

Target Date Funds invest in a wide variety of underlying funds to help reduce investment risk and are designed for people who plan to begin withdrawing funds during or near a specific year. Like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at, or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

**Manage it for me**

Nationwide ProAccount® is a fee-based managed account service that creates and maintains a personalized retirement investment strategy.

Both the Target Date Funds and Nationwide ProAccount are comprised of the Savings Plus core investment funds. Savings Plus’ investment line-up features a broad range of asset classes with differing levels of risk/reward potential.

**Do it myself**

Build and manage a customized portfolio by using the Savings Plus core investment funds.

If you prefer a hands-on approach but also want help when you need it, use our free My Investment Planner online advice tool to create a more guided investment strategy. Implement the recommended strategy or modify it to meet your needs. You can also use our Automatic Asset Rebalancing feature to ensure your investment selections remain allocated the way you initially intended.

The Personal Choice Retirement Account (PCRA), a Self-Directed Brokerage Account (SDBA) administered by Charles Schwab & Co., offers a much larger variety of investment choices. However, you must maintain a minimum balance in the Savings Plus core investment funds.

Choose your investing style.

- Do it for me
- Manage it for me
- Do it myself

Before investing, carefully consider the fund’s investment objectives, risks, charges, redemption fees, and expenses. You may download Fund Fact Sheets from savingsplusnow.com or request them by calling (855) 616-4776.

Visit savingsplusnow.com for detailed investment information.
Small Increases Can Make a Difference.

Increasing contributions to your Savings Plus account can help you feel confident that what you’re doing now can positively impact your longer-term goals.

It’s easier to save more with Auto Increase

Our Auto Increase feature lets you increase contributions to your retirement plan account little by little each year—automatically.

Simply select a date you want your increased contribution to begin and indicate the amount or the percentage of your increase, and your contributions will automatically increase each year.

Ready to sign up for Auto Increase?

☐ Yes  ☐ No

You can sign up for Auto Increase by signing into your account at savingsplusnow.com and selecting Contribution Information.

This illustration is a hypothetical example that reflects allowable contributions over a 30-year period and assumes 12 pay periods per year. The nominal annual rate of return is 7%, compounded monthly. Investment returns are not guaranteed and will vary depending on investments and market experience. If fees, taxes and expenses were reflected, the hypothetical returns would be less.
Are You Ready to Enroll?

Get started with this easy enrollment checklist.

- **Choose plan type(s)**
  - 401(k)
  - 457(b)
  
  You may contribute up to the annual limit to each plan type, however it's not necessary to enroll in both plans unless you expect to exceed the annual limit in one of them. Each plan has certain advantages and limitations, but both offer the same investment options. You will pay the monthly $1.50 account fee for each plan type you establish.

  **Important Note:** If you separate from employment before age 55 and withdraw from your 401(k) account, or from 401(k) funds previously rolled into your 457(b) account, you may be subject to an additional 10% early withdrawal tax.

- **Choose contribution type**
  - Pre-tax
  - Roth
  
  You may contribute on a pre-tax basis, Roth basis, or both. See page 5 for details. Total combined contributions into pre-tax and Roth accounts cannot exceed the IRS limit for each plan type. See limits on page 10.

- **Decide how to contribute**
  - Percentage of Pay
  - Dollar amount
  
  There are two ways to make contributions — selecting a percentage of pay or identifying a dollar amount. For consideration: when you select Percentage of Pay, your contribution amount automatically increases each time you receive a salary increase. That makes it really easy to contribute more!

- **Decide how much to contribute**

  $___________ or ____________%

  Our tools and resources on savingsplusnow.com may help you determine how much you should contribute from each paycheck in order to meet your goals. **No matter what method you choose, the minimum dollar contribution amount is $25.**

- **Select investing style**
  - Do it for me
  - Manage it for me
  - Do it myself

  **Do it for me:** You’ll be defaulted into the Target Date Fund that most closely aligns with the year you turn age 62. However, you can select a different Target Date Fund based on when you plan to begin taking distributions from your account.

  **Manage it for me:** Rely on a professional manager to select and manage your funds for an additional fee.

  **Do it myself:** Select your funds if you enroll online using the core investment options.
Enroll

Online — at savingsplusnow.com.

On paper — complete our Enrollment Form available online or from your Retirement Specialist.

On the phone — (855) 616-4776

Establish an online account and select other easy account service options

- Auto Increase
- Paperless Delivery
- Automatic Asset Rebalancing
- Designate a Beneficiary

Once you have enrolled, you can set up an online account. Go to savingsplusnow.com and follow the prompts in the LOGIN box (Login Help & Sign Up).

Sign up for the Auto Increase feature.

Sign up for paperless delivery to receive account confirmations, and notifications regarding the availability of your quarterly statements and newsletters.

Take advantage of Automatic Asset Rebalancing. This service for “Do it myself” investors will restore the investment mix to the original designated investment allocation on a quarterly basis.

Designate your beneficiary(ies) to specify who will receive your plan assets in the event of your death.

You can enroll online or by phone any time. Visit savingsplusnow.com or call to speak with a representative about enrollment.
401(k) and 457(b) plan contribution limits for tax year 2018

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<tr>
<th></th>
<th>Maximum contribution limit</th>
<th>Contribution limit plus Age-based Catch-Up</th>
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<tbody>
<tr>
<td><strong>457(b)</strong></td>
<td>$18,500</td>
<td>$24,500</td>
</tr>
<tr>
<td><strong>401(k)</strong></td>
<td>$18,500</td>
<td>$24,500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$37,000</strong></td>
<td><strong>$49,000</strong>*</td>
</tr>
</tbody>
</table>

*The total 457(b) limit may be higher if Traditional Catch-Up is utilized. Source: IRS.gov, 201*

Once enrolled, you can change your contribution amount(s) or investment allocations at any time online or by phone.
How to Reach Us.

Savings Plus Walk-in Center
8 a.m. - 5 p.m. PT
Monday through Friday
1810 16th Street, Room 108
Sacramento, CA 95811
Enter on 16th Street, between R and S streets

Savings Plus Service Center
(855) 616-4776
5 a.m. - 8 p.m. PT
Monday through Friday

Website
savingsplusnow.com