



# Features of your Deferred Compensation Program

South Carolina Deferred Compensation Program

The South Carolina Deferred Compensation Program (Deferred Comp) provides participants with investing options through its 401(k) and 457(b) retirement savings plans. Visit [www.southcarolinadcp.com](http://www.southcarolinadcp.com) for specific details.

## How much can I contribute?

The minimum amount you can contribute to each plan is \$10 per pay period.

The IRS sets annual contribution limits for both 401(k) and 457(b) Plans. Go to [www.irs.gov](http://www.irs.gov) for the current dollar amounts. You can contribute:

- 100 percent of your salary or the IRS maximum amount, whichever is less.
- For age 50 and over, the regular limits plus an additional amount as a catch-up contribution.

The 457(b) Plan provides a Special catch-up provision that allows participants who are within three calendar years of their normal retirement age to contribute up to twice the regular limit. The amount you are able to contribute for the Special catch-up is based on amounts you were eligible to contribute in previous years but did not.

If you contribute to both the 401(k) and the 457(b) Plans, you can contribute up to the IRS yearly maximum amount to each plan plus any available catch-ups.

You cannot use both the Age 50+ catch-up and the Special catch-up contributions in the same calendar year.

## Investment options

A wide array of core investment options and a Self-Directed Brokerage Account (SDBA) are available under both plans. Option details are available at [www.southcarolinadcp.com](http://www.southcarolinadcp.com). Investment option information is also available by calling the Participant Services Center at **877.457.6263**.

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

Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling 888-393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated.



## Investment and contribution changes

Log on to the website or call the Services Center to increase, decrease or stop your contributions. You can also change your investment options.<sup>1</sup>

## What is a 401(k) and 457(b)?

**Deferred Comp's 401(k) Plan allows you to contribute either before-tax or after-tax (Roth) dollars.** Before-tax dollars go into a traditional 401(k), and they are taxable upon distribution. Roth contributions are made with after-tax dollars—so you have already paid income tax on that money. Both options have an early withdrawal penalty for taking a distribution before you reach age 59½.

**Deferred Comp's 457(b) Plan is available to state and local government employees.** Like a 401(k), you can make before-tax or after-tax Roth contributions. Unlike a 401(k), the early withdrawal penalty does not apply to pre-tax 457(b) plan withdrawals (it does apply to the Roth 457(b) plan).

## Vesting

Vesting refers to the percentage of your account you are entitled to receive when a distributable event occurs. Your contributions and rollovers from previous accounts are always 100 percent vested.

## Service credits

The South Carolina Public Employee Benefit Authority (PEBA) will accept a lump-sum payment from the Program's 401(k) or 457(b) Plans to pay for a retirement service credit. Talk to your local retirement plan advisor for details.

## Loans

You are allowed one outstanding loan across both plans.

- The maximum loan amount is \$50,000 and the minimum is \$2,500.
- It must be repaid within five years (20 years if used to purchase your primary residence).
- There is a \$50 origination fee and a \$25 annual maintenance charge (billed quarterly at \$6.25).
- Loans are only available if payments can be made through payroll deductions. Talk with your employer for more information.

*Defaulted loans remain active until such time as they are offset or paid in full and are considered an outstanding loan.*

## Empower Retirement Advisory Services

Empower Retirement Advisory Services is provided by Advised Assets Group, LLC, a registered investment adviser, and is offered as part of Deferred Comp. It provides two levels of investment service for you to choose from based on how much help you may want or need—Online Advice or My Total Retirement™.

Online Advice is available at no additional cost to you. If you choose My Total Retirement, you will be charged an annual fee (deducted quarterly) based on a percentage of your account balance as follows:<sup>2</sup>

- |                          |              |
|--------------------------|--------------|
| • Up to \$100,000        | 0.45 percent |
| • \$100,000.01-\$250,000 | 0.35 percent |
| • \$250,000.01-\$400,000 | 0.25 percent |
| • More than \$400,000    | 0.15 percent |

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

## Distribution rules

There are qualifying events for distribution of your before-tax account for both the 401(k) and 457(b) Plans—separation of service, permanent disability, financial hardship, reaching age 59½ or death.

To receive a tax-free distribution from your Roth 401(k) or Roth 457(b) account, you must have had the account for at least five years and meet certain requirements. Speak to your local advisor for details.

Before-tax distributions are subject to income tax. You are required to take a minimum distribution no later than April 1 of the calendar year following the year you reach age 70½.

When you retire or separate from service, you have a variety of payment choices and can also choose to leave your account balance in Deferred Comp. Check with Deferred Comp's dedicated retirement specialist or your local retirement plan advisor to examine the options available to you.

## Fees

- Annual recordkeeping fee: 0.065 percent of your account balance, deducted quarterly.
- Annual administrative fee: \$4, deducted quarterly at \$1.
- Investment management fee: varies by investment option.
- Quarterly fee for Self-Directed Brokerage Account: \$12.50; additional transaction fees and commissions may apply.
- Distribution fees: none.

## Resources and contacts

**Website:** [www.southcarolinadcp.com](http://www.southcarolinadcp.com)

**Phone:** 877.457.6263

**Local office:** 200 Arbor Lake Drive, Suite 115  
Columbia, SC 29223, M-F, 8:30 a.m. - 5 p.m.

.....  
**If you have questions on any of these topics,  
please schedule a free one-on-one appointment  
with your local retirement plan advisor.**

<sup>1</sup> Transfer requests received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or in 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.

<sup>2</sup> Charged on a tiered basis. For example, if your account balance is \$125,000, any amount up to \$100,000 will be subject to a maximum fee of 0.45 percent annually, and the amount \$100,000.01 to \$125,000 will be subject to a maximum fee of 0.35 percent.

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

**Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.**

Great-West Financial®, Empower Retirement and Great-West Investments™ are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC.

©2020 Great-West Life & Annuity Insurance Company. All rights reserved. 98955-FLY-WF-305174-1219 AM654343-1218