

# The San Diego Unified School District

## 457(b) Deferred Compensation Plan Highlights



Your San Diego Unified School District (SDUSD) 457(b) Deferred Compensation Plan affords you an excellent opportunity to help accumulate money for your future. You contribute pretax dollars automatically by convenient payroll reduction, which might lower current income taxes. Your account also benefits from the opportunity for tax-advantaged growth.

This is not your plan document. The administration of each plan is governed by the actual plan document. If discrepancies arise between this summary and the plan document, the plan document will govern.

### Enrolling is easy! Here's how ...

Simply decide how much you want to save and how you want to invest contributions to your account. Then choose from the convenient enrollment methods listed below.

- **Online** — Visit [aig.com/RetirementServices](http://aig.com/RetirementServices) and follow the prompts. Have your Group ID handy: 01375002.
- **By phone** — Call our Enrollment Center at 1-888-569-7055 between 8:30 a.m. and 8:00 p.m. (ET). Have your Group ID handy: 01375002.
- **In person** — Your financial professional can meet with you and walk you through the enrollment process.

### Eligibility

You are immediately eligible to begin contributing to the plan.

### Enrollment

It's easy to join; visit [MyRetirementManager.com](http://MyRetirementManager.com). Then, simply decide how much you want to save and how you want to invest contributions to your account. You must generally enroll before the first day of the month in which you want to begin contributions.

### Your contributions

Generally, you can contribute as much as 100% of your annual includible compensation, up to \$19,500 in 2021. You can increase or decrease the amount you contribute to the plan as often as the San Diego Unified School District allows.

### Catch-up contributions

You may be eligible to contribute up to an additional:

- \$19,500 in 2021 if you are within the last three taxable years ending the year before the year in which you will reach normal retirement age as specified under the plan and have undercontributed in prior years, or
- \$6,500 in 2021 if you are age 50 or older

If you are eligible for both, you cannot combine the two catch-up amounts, but you can contribute up to the higher amount. Coordinate with the San Diego Unified School District.

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### Fee disclosure information

Obtain specific fee disclosure and fund performance information by visiting [aig.com/RetirementServices](http://aig.com/RetirementServices) and clicking on “Fee Disclosure” in the dark box at the bottom of the screen.

### Stop/change contributions

You can change your contribution amount or discontinue contributing to your plan at any time and resume contributing again later, subject to plan provisions and any administrative requirements. In the meantime, your account will continue to grow on a tax-deferred basis.

### Account consolidation

You might be able to transfer your vested retirement account balance from a prior employer’s plan to your SDUSD 457(b) Deferred Compensation Plan. This may be a way to simplify your financial profile and to ensure your overall investments are suitably diversified and consistent with your investment preferences. However, before moving funds, check with your other provider to determine if your account has any restrictions, imposes a withdrawal penalty or provides favorable terms.

After severance from employment, withdrawals from a 457(b) plan are not subject to Code withdrawal restrictions. Money from governmental 457(b) plans rolled into an eligible retirement plan of a different type becomes subject to a 10% federal early withdrawal tax penalty on withdrawals prior to age 59½, unless an exception applies. Funds rolled from an eligible retirement plan of a different type can be rolled into a governmental 457(b) plan, but must be separately accounted for unless you are over age 59½. And unless an exception applies, withdrawals from monies rolled into a governmental 457(b) plan from a non-457(b) plan may be subject to a 10% federal early withdrawal tax penalty if the money is withdrawn before age 59½.

### Investment flexibility

You decide how to invest all contributions to your plan among the mutual funds offered by your SDUSD retirement plan.

Remember, this plan represents a long-term investment. Investment values will fluctuate and there is no assurance that the objective of any fund will be achieved. Mutual fund shares are redeemable at the then-current net asset value, which may be more or less than their original cost. All investment involves risk, including possible loss of principal.

### Distribution options

Your plan was established to encourage long-term saving. However, you can generally withdraw the value of your vested account balance in the following circumstances:

- Retirement
- Severance from employment
- Your death
- Unforeseeable emergencies
- Deferring distributions until the later of age 72 (age 70½ if born before July 1, 1949) or severance of employment, and allowing your account to continue to grow tax deferred

In addition, you must begin taking minimum distributions when you turn 72 (age 70½ if born before July 1, 1949) or retirement, whichever is later.

### Severance from employment or retirement

Depending on your employer’s plan provisions, your withdrawal options include:

- Rolling your account over to another tax-advantaged plan that accepts transfers of rollovers
- Electing systematic withdrawals
- Taking a lump-sum distribution
- Choosing one of the many annuity options available
- Deferring distributions until the later of age 72 (age 70½ if born before July 1, 1949) or severance of employment, and allowing your account to continue to grow tax deferred

Generally, income taxes must be paid on all amounts you withdraw from your plan. Withdrawals prior to age 70½ might be subject to withdrawal restrictions.

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### Account access

Once enrolled, you can access account information 24 hours a day, seven days a week:

- **Online** — [aig.com/RetirementServices](http://aig.com/RetirementServices)
- **By phone** — 1-800-448-2542

Access account information on your mobile device.

- AIG Retirement Services Mobile for iPad®, iPhone® or Android™-based phones

### Administrative fee

Plan administrative fees have been waived for all SDUSD employees. Fund Annual Operating Expenses apply, depending on the mutual funds chosen and are described in the prospectus.

### SDUSD Fiscal Control Specialist

For payroll-related questions, please contact Julie Nguyen, Fiscal Control Department, 619-725-7669.

#### Nicole Cott Ross, CFP® Financial Advisor

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A prospectus(es) containing more complete information, including management fees, charges and expenses, is available from Schwab (1-800-435-4000). Please read the prospectus(es) carefully before investing. Other fees and charges for value-added services may apply. You can ask a Schwab representative for more information.

Schwab's standard transaction fee will be charged on each redemption of fund shares bought with no transaction fee and held for 90 days or less. Schwab reserves the right to assess Schwab's standard transaction fees in the future should short-term trading become excessive. Schwab receives remuneration from Mutual Fund OneSource companies. Schwab reserves the right to change the funds made available without transaction fees.

Depending on the terms of your retirement plan, your Schwab Personal Choice Retirement Account is a custodial account established under Section 401(a), Section 403(b)(7) or Section 457 of the Internal Revenue Code of 1986, as amended. Your rights under the account are governed by the terms of your account or your employer's plan.

**Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional or at [www.aig.com/RetirementServices/eprint](http://www.aig.com/RetirementServices/eprint). Enter 63960001 in the Login field and click Continue. You can also request a copy by calling 1-800-428-2542. Read the prospectuses carefully before investing.**

## We see the future in you.™

CLICK [aig.com/RetirementServices](http://aig.com/RetirementServices) CALL 1-800-426-3753 VISIT your financial professional

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