



## **School District U-46**

403(b) and 457(b) Retirement Plans

Frequently Asked Questions

## **The following questions and answers are offered to help you understand the upcoming changes to the 403(b) and 457(b) Retirement Plans.**

### **What is changing?**

Effective **November 1, 2019**, the School District U-46 403(b) and 457(b) Retirement Plans (the “Plans”) will be administered by AIG Retirement Services.

If you are participating in the Plans today, your current balances WILL NOT automatically transfer to the AIG Retirement Services platform. You MAY CHOOSE to transfer your current balances to the AIG Retirement Services platform.

Beginning with payroll processed on November 1, 2019, all of your contributions will automatically be sent to AIG Retirement Services and invested in the age-appropriate Vanguard Target Retirement Date Fund unless you elect to change your investment fund allocations.

### **Why is this change being made?**

Over the past 18 months, the District has been evaluating the Plans in an effort to provide you with retirement solutions that are easy-to-use, cost-efficient, and satisfying. As a part of this review, the District has established a Retirement Committee to oversee the Retirement Plans, engaged an independent investment consultant to provide expertise and guidance to the Committee, and conducted a review of the Retirement Plans’ service providers.

The goal of the District was to identify a provider that has the ability to offer the best set of services to meet the needs of District employees at the most competitive price. Following the completion of an extensive complete evaluation process, AIG/VALIC Retirement Services was identified as the provider who will provide a comprehensive and cost efficient retirement offerings to the District.

### **What is the Retirement Committee?**

The School District U-46 Retirement Committee (the “Committee”) was established to oversee the Plans for the benefit of the District and its employees who elect to participate in the Plans. The Committee consists of District employees responsible for human resources and operations, and members of the ETA.

### **Who is AIG Retirement Services?**

AIG Retirement Services is a well-established leader in the financial services industry with more than 60 years’ experience helping people prepare for a secure retirement. Through our new partnership with AIG Retirement Services, you will have access to a wide range of educational and employee services, including:

- Lower administrative fees, so more of the money you contribute goes towards generating returns
- Easy access to one-on-one personal counseling with a dedicated advisor team
- Online retirement planning experience tailored to you and your goals
- Robust education programs to help you become retirement ready
- Access to a broad array of mutual funds, along with continued access to a fixed account
- 24/7 access to account information and transactions by phone, online, and via mobile devices

### **What advantages do the Plans offer District employees?**

The Plans offer:

- Retirement readiness programs designed to help all employees reach their financial goals
- A personal investment account, which allows you to defer investment taxes until you withdraw money, usually at retirement.
- A personalized financial plan created just for you
- Investment options that are monitored by the Retirement Committee based on the advice of an independent investment consultant

- Choice of a hands-on or hands-off approach to investing; you can choose to have your contributions invested in a target date fund based on your projected retirement date or build your own investment strategy through a mix of investment funds offered in the Plans
- Manage your account with 24/7 online access

### **Do I need to re-enroll with AIG Retirement Services if I am a current participant?**

No. If you are currently making contributions with any of the service providers today, you will not be required to re-enroll. Your future contributions will automatically be sent to AIG Retirement Services and invested in an age-appropriate Vanguard Target Retirement Date Fund until you change your investment fund allocation.

If you do not want to be invested in a Vanguard Target Retirement Date Fund, you will need to make those changes online after November 1 at [aig.com/RetirementServices](http://aig.com/RetirementServices), by calling 1-800-448-2542, or by contacting your financial advisor.

### **If I'm not participating now, how do I enroll in the Plan?**

If you are not currently participating in the Plans and would like to do so prior to October 24, please contact Lori Nommensen at extension 5544 or via e-mail at [LoriNommensen@u-46.org](mailto:LoriNommensen@u-46.org) to complete a Salary Reduction Form and enroll in the existing AIG Retirement Services annuity platform.

Please note, new enrollments will not be accepted during the dates of October 25 – October 31.

Beginning November 1, if you are not currently participating in the Plans, you can enroll online, by phone, or by contacting your financial advisor.

#### **To enroll online:**

- Visit [aig.com/RetirementServices](http://aig.com/RetirementServices)
- Enter your access code: 01480001
- Click "Continue" to get started
- Follow the prompts

#### **To enroll by phone:**

- Call 1-888-569-7055 to reach an Enrollment Specialist
- Provide your access code: 01480001

#### **To enroll in person, reach out to:**

- Sandi Arko  
Financial Advisor  
VALIC Financial Advisors, Inc.  
500 W. Madison Street. Suite 2850  
Chicago, IL 60661  
Office: (312) 214-8870

### **When will contributions be sent to AIG Retirement Services?**

- Your final contribution to your current vendor will be the **last** pay period in October 2019.
- Your first contribution to AIG Retirement Services will be the **first** pay period in November 2019.

## What happens to my accounts with my current provider?

If you have a balance in the Plans at any of our current providers, those balances will not automatically transfer to AIG Retirement Services. As long as you maintain a balance with a previous provider, you will be able to access that account as you do today.

If you would like to transfer your balances to the new AIG Retirement Services platform, you will need to reach out to AIG Retirement Services. There is a plan specific Asset Conversion Form that you will need to complete in order to make a transfer.

A series of group meetings and educational sessions will be scheduled throughout the transition period. AIG representatives will available help you review your current plan balances, including any investment restrictions, surrender fees, etc., in order to to determine appropriate next steps based on your specific individual circumstances.

These educational sessions will give you an opportunity to review your current level of retirement preparedness, discuss what, if any, actions you should consider, as well as ask any questions about the new investments, planning tools and website.

## What is the quiet period?

### **ONLY APPLICABLE IF YOU ARE CURRENTLY CONTRIBUTING TO AIG RETIREMENT SERVICES TODAY:**

The quiet period is a time during which you will be unable to access your AIG/VALIC account. This is the time when your existing accounts will become temporarily unavailable while AIG Retirement Services reconcile your accounts onto the new platform. You cannot make any transactions, such as requesting a hardship withdrawal, loan, or distribution, or changing your investment elections, during this time. You will be able to make transactions after the quiet period ends.

- The quiet period begins on **October 25, 2019**. Transactions will be accepted and processed until this time.
- The quiet period ends no later than **October 31, 2019**.

Following the quiet period, please be sure to update your beneficiary information by logging on to [aig.com/RetirementServices](http://aig.com/RetirementServices) or by contacting your local AIG Retirement Services financial advisor.

## How can I access my account with AIG Retirement Services?

If you are an existing AIG Retirement Services participant, you will be able to access both of your accounts (annuity and new) through your current web access credentials.

For those who are new to AIG Retirement Services you will need to register for online access after the first payroll on November 1 has been received. You will simply log on to [aig.com/RetirementServices](http://aig.com/RetirementServices) and will be guided through the account registration process.

You will have access your account 24 hours a day, seven days a week by simply logging on to [aig.com/RetirementServices](http://aig.com/RetirementServices) or calling 1-800-448-2542 for your account details. This toll-free number can also connect you with a Customer Service Representative available Monday through Friday from 7 a.m. to 8 p.m. (CT). You can also contact your dedicated AIG Retirement Services financial advisor. Finally, you can use AIG Retirement Services Mobile Access at [my.valic.com/mobility](http://my.valic.com/mobility) or download the AIG Retirement Services Smartphone App for account access at your fingertips.

## Do I need to complete a new Beneficiary Designation?

Yes. In order for beneficiary information to be effective for the new plan, you must complete an electronic Beneficiary Designation election online at [aig.com/RetirementServices](http://aig.com/RetirementServices) or print and complete the Beneficiary Designation Form. The Beneficiary Designation Form can be returned to your financial advisor or sent directly to AIG Retirement Services at the address or fax number listed on the form.

## How often can I make changes to my new AIG Retirement Service account?

You may change your contribution percentage and your investment options as often as you like following the end of the quiet period. To make these changes, you can log in to your account online at [aig.com/RetirementServices](http://aig.com/RetirementServices), by phone at 1-800-448-2542, or with your financial advisor.

## What investment options will be available with AIG Retirement Services?

The Plans will offer an array of mutual funds representing broad asset classes and categories, as well as a fixed account option. Remember that investing involves risk, including possible loss of principal. Beginning November 1, you will be able to review the new funds by logging in to your account online at [aig.com/RetirementServices](http://aig.com/RetirementServices). You will also be able to access additional information, including quarterly fund performance, about each available investment option online.

Please see below for a list of the investment options that will be made available to participants in the Plans:

### Mixed-Asset Funds

|                   |                                       |        |
|-------------------|---------------------------------------|--------|
| Target Date Funds | Vanguard Target Retirement Income Inv | VTINX  |
| Target Date Funds | Vanguard Target Retirement 2020 Inv   | VTWNX  |
| Target Date Funds | Vanguard Target Retirement 2025 Inv   | VTTVX  |
| Target Date Funds | Vanguard Target Retirement 2030 Inv   | VTHRXX |
| Target Date Funds | Vanguard Target Retirement 2035 Inv   | VTTHX  |
| Target Date Funds | Vanguard Target Retirement 2040 Inv   | VFORX  |
| Target Date Funds | Vanguard Target Retirement 2045 Inv   | VTIVX  |
| Target Date Funds | Vanguard Target Retirement 2050 Inv   | VFIFX  |
| Target Date Funds | Vanguard Target Retirement 2055 Inv   | VFFVX  |
| Target Date Funds | Vanguard Target Retirement 2060 Inv   | VTTSX  |
| Target Date Funds | Vanguard Target Retirement 2065 Inv   | VLXVX  |

### Passive Asset Class Funds

|                         |   |       |
|-------------------------|---|-------|
| Core Fixed Income       | Fidelity: U.S. Bond Index (FXNAX)           | FXNAX |
| US All Cap Stocks       | Fidelity: Total Market Index (FSKAX)        | FSKAX |
| US Large Cap Stocks     | Fidelity: 500 Index (FXAIX)                 | FXAIX |
| US Small/Mid Cap Stocks | Fidelity: Extended Market Index (FSMAX)     | FSMAX |
| Non-US Stocks           | Fidelity: Total International Index (FTIHX) | FTIHX |

### Active Asset Class Funds

|                        |  |       |
|------------------------|--|-------|
| Fixed Account          | VALIC Fixed Interest Option                      | N/A   |
| Core Fixed Income      | Baird Aggregate Bond Fund Class Institutional    | BAGIX |
| Core Plus Fixed Income | PGIM Total Return Bond Fund -Class R6            | PTRQX |
| US Large Cap Stocks    | AQR Large Cap Defensive Style Fund Class R6      | QUERX |
| US Small Cap Stocks    | BlackRock Advantage Small Cap Core Fund Class K  | BDSKX |
| Non-US Stocks          | American Funds EuroPacific Growth Fund Class R-6 | REGRX |

### Self-Directed Brokerage

Schwab Personal Choice Retirement Account

## Are loans or unforeseeable emergency withdrawals available under the Plans?

Yes. Loans and unforeseeable emergency withdrawals are currently allowed by the Plans. A one-time fee will be charged as an initial setup cost with an annual fee assessed for administration of the loan.

### What happens to my account if I currently have a loan outstanding?

Outstanding loans with AIG or another existing provider will not be transferred to the AIG Retirement Services platform. Your loan repayments will continue to be paid under the terms that were agreed upon. Once a loan has been paid in full, you will be able to submit an Asset Conversion Form if you choose to transfer the account balance.

### Can I roll over funds from another qualified savings plan to this account?

Yes, you may roll over funds from other similar qualified plans.

### How often will I receive an account statement?

AIG Retirement Services mails account statements to your address on record no later than 10 business days after the end of each calendar quarter. These account statements include helpful information about your account balance, your investment elections and transaction history for all of your accounts with AIG Retirement Services. Account statements can also be accessed online at [aig.com/RetirementServices](http://aig.com/RetirementServices).

### Whom can I contact if I have questions?

If you have questions, please contact your local financial advisor:

Sandi Arko  
Financial Advisor  
VALIC Financial Advisors, Inc.  
500 W. Madison Street. Suite 2850  
Chicago, IL 60661  
Office: (312) 214-8870

You may also contact Lori Nommensen at extension 5544 or via email at [LoriNommensen@u-46.org](mailto:LoriNommensen@u-46.org).

Financial advisors will be available to meet with you during group meetings scheduled throughout the transition. Please see the Meeting Schedule below.

| MEETING DATE      | MEETING TIME(S)  | MEETING LOCATION  |
|-------------------|--|---|
| August 2, 2019    | At the conclusion of the all administrator meeting (1:00pm)<br><b>Administrators Only</b>        | South Elgin High School   |
| August 6, 2019    | AIG/VALIC will have a table at the event all day to answer employee questions                    | The Center of Elgin 100 Symphony Way, Elgin, IL The Heritage Ballroom |
| August 6, 2019    | 12:00pm after Food Services In-Service. <b>Food Service Employees Only</b>                       | Food and Nutrition Center, 1150 Bowes Rd. Elgin.                      |
| August 8, 2019    | At the conclusion of the Transportation in service meeting. <b>Transportation Employees Only</b> | Streamwood High School  |
| September 9, 2019 | 3:15 P.M. in the auditorium  | Bartlett High School  |
| September 9, 2019 | 3:45 P.M. in the library   | Kimball Middle School   |
| September 9, 2019 | 3:45 P.M. in the library   | Abbott Middle School  |

|                    |   |                             |
|--------------------|---|-----------------------------|
| September 10, 2019 | 3:15 P.M. in the auditorium                                       | Larkin High School          |
| September 10, 2019 | 3:45 P.M. in the cafeteria  | Eastview Middle School      |
| September 10, 2019 | 3:45 P.M. in the cafeteria  | Canton Middle School        |
| September 11, 2019 | 3:15 P.M. in room B-100   | South Elgin High School     |
| September 11, 2019 | 3:45 P.M. in the auditorium                                       | Tefft Middle School         |
| September 11, 2019 | 3:45 P.M. in the auditorium                                       | Ellis Middle School         |
| September 12, 2019 | 3:15 P.M. in the auditorium                                       | Streamwood High School      |
| September 12, 2019 | 3:45 P.M. in the auditorium                                       | Larsen Middle School        |
| September 12, 2019 | 3:45 P.M. in the library  | Kenyon Woods Middle School  |
| September 13, 2019 | 3:15 P.M. in the auditorium                                       | Elgin High School           |
| September 13, 2019 | 3:30 P.M. in room 240   | Educational Services Center |
| September 18, 2019 | TRS will present first and then<br>AIG will present at 5:30 p.m.  | Larkin High School          |
| September 19, 2019 | IMRF will present first and then<br>AIG will present at 5:30 p.m. | Larkin High School          |

*These Questions & Answers are intended to provide you with general information on the benefits offered by The District. Every effort has been made to provide an accurate summary of such benefits. However, if there is a conflict between the material in this document and the actual Plan documents, the terms of the Plan document will control. Notwithstanding anything to the contrary contained in this document, The District reserves the right to amend, modify, or terminate any benefit at any time.*

**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 [VALIC.com/eprint](http://VALIC.com/eprint). Enter 01480001 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.**

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