

Paulding County School District Section 403(b) Tax Deferred Retirement Plan

ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT/DEFAULT INVESTMENT NOTICE FOR 2015 PLAN YEAR

To: Plan Participants

From: Plan Administrator, Paulding County School District Section 403(b) Tax-Deferred Retirement Plan (“Plan”)

Plan Sponsor: Paulding County School District (“Employer”)

Re: Notice of Rights under Eligible Automatic Contribution Arrangement and/or Notice of Default Investments under the Plan.

ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT.

Automatic contributions (deferrals). This notice advises you of certain rights and obligations you have under the Plan. The Plan includes an Eligible Automatic Contribution Arrangement (“EACA”). Under the EACA provisions of the Plan, for Employees hired on or after May 1, 2015, the Employer automatically will withhold from your compensation 3% per pay period (referred to as the “automatic deferral percentage”), and will transmit the withheld amount to the Plan as your elective deferrals. If you wish to defer the automatic deferral percentage as a pre-tax contribution, you do not need to make a deferral election. If you do not wish to defer any of your compensation, if you wish to defer a percentage of your compensation different from (either more or less than) the automatic deferral percentage, or if you wish to designate your contributions as after-tax Roth contributions rather than pre-tax contributions, you may elect, within a reasonable time after receipt of this notice and before the first automatic deferral to which this notice applies, to defer a different percentage of your compensation (including zero), or to make Roth contributions (a “contrary election”). Your contrary election will be effective as soon as the Plan Administrator reasonably can implement your election after receipt. Your contrary election will remain in effect unless and until you change it.

Limited right to withdraw automatic deferrals. Within the time period described in this paragraph, you may elect to have the Plan distribute to you all of your prior automatic deferrals and allocable earnings on the deferrals. You may make this election on the contrary deferral election form the Plan Administrator will provide to you upon request. You must make this election no later than 60 days after the first automatic deferral is taken from your compensation. If you elect to withdraw all of your prior automatic deferrals, you will pay income tax on the distributed amount except to the extent it represents a return of the participant’s after-tax Roth contributions, but you will not be subject to the 10% premature distribution penalty tax, even if you receive the distribution prior to age 59½ .

Right to direct investment/default investment. You have the right to direct the investment of your elective deferrals (whether the deferrals result from the Plan’s automatic deferral or from your contrary election) in any of the investment choices available under the Plan. If you do *not* make an election as to how the Plan should invest your directed accounts, then the Plan will invest your directed accounts in the “default” investment that the Plan officials have selected. The default investment is the Vanguard Target Retirement Fund Investor Class Fund, is an age based investment mix where you determine your future retirement date and your investment allocation will be managed for you. The **Risk/Return** profile of each Vanguard Target Maturity Investor Class Fund is higher or more aggressive when the maturity date is further away, but will automatically rebalance to a more conservative or lower risk/return profile as the fund nears maturity date and beyond. These funds correspond most closely to your retirement date based on your age and more fully explained below.

FUND NAME	DATE OF BIRTH	EXPENSE RATIO
Vanguard Target Retirement Income Inv	Before 1950	0.16%
Vanguard Target Retirement 2010 Inv	1950-1954	0.16%
Vanguard Target Retirement 2015 Inv	1955-1959	0.16%
Vanguard Target Retirement 2020 Inv	1960-1964	0.16%
Vanguard Target Retirement 2025 Inv	1965 - 1969	0.17%
Vanguard Target Retirement 2030 Inv	1970 - 1974	0.17%
Vanguard Target Retirement 2035 Inv	1975 - 1979	0.18%
Vanguard Target Retirement 2040 Inv	1980- 1984	0.18%
Vanguard Target Retirement 2045 Inv	1985 - 1989	0.18%
Vanguard Target Retirement 2050 Inv	1990 - 1994	0.18%
Vanguard Target Retirement 2055 Inv	1995- 1999	0.18%
Vanguard Target Retirement 2060 Inv	After 1999	0.18%

Investment Objective: The investment series seeks current income and capital appreciation. The funds invest primarily in other mutual funds that represent a variety of asset classes and investment styles. The target asset mix is adjusted so that as the target year approaches, the allocation to stocks may decrease and the allocation to bonds and money market instruments may increase.

Risk and Return Characteristics: The risk/return profile of each Target Maturity fund is higher or more aggressive when the maturity date is further away, but will automatically rebalance to a more conservative or lower risk/return profile as the fund nears the maturity date and beyond.

Right to alternative investment. Even if the Plan invests some or all of your directed accounts in the default investment, you have the continuing right to direct the investment of your directed accounts in one or more of the other investment choices available to you as explained above. You may change your investments at least once within any three-month period (or more frequently if the Plan's procedures allow). You are entitled to invest in any of the alternative investment choices without incurring a financial penalty. **Where to go for further investment information.** You can obtain further investment information about the Plan's investment alternatives by contacting the Plan Administrator at:

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