



Your employer's tax-qualified retirement plan is an excellent way to help accumulate money for your future. Income from this plan, when combined with other sources of retirement income such as Social Security, pension benefits and personal savings, can help provide you with what you'll need during retirement.

Experts say that to maintain your standard of living during retirement, you'll need as much as 80% of your final working year's salary. In addition, you will need to take into consideration the effect of inflation. If your income stays the same, as the cost of living rises, your purchasing power falls.

Planning for retirement could be one of the most important financial decisions you ever make. Participation in the plan is an essential step in helping you reach your retirement goals.

You'll have access to a wealth of resources from VALIC. These include local help from your financial advisor, plus educational programs, materials and seminars to help you better understand retirement and financial planning issues.

Whether you're 25 or 55, retirement is closer than you think. That's why you should start planning, start saving and investing, and start now. Call your financial advisor today.

Sincerely,

Melinda Ackerman  
Vice President, Client Care Center  
VALIC

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

## PLAN HIGHLIGHTS

### Your Retirement Plan

Start now to help build your retirement nest egg by investing in your employer's retirement plan. This 403(b)(7) Retirement Plan with VALIC Retirement Services Company makes it easy for you to invest for your future.

- Convenient, automatic contributions by salary reduction
- Pre-tax contributions, which reduce current income taxes
- Employer matching contribution
- An after-tax Roth option is available
- No initial sales charge
- Tax deferral of earnings and interest

Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal penalty may apply if taken before age 59½.

### Your Plan Benefits

There are many benefits to your Plan, including:

- Mutual funds, managed by well-known investment management firms, and the Fixed-Interest Option <sup>1</sup>
- Contributions invested as you choose among available investment options

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 and variable options will fluctuate so that the investor's units, when redeemed, may be more or less than their original cost. Bear in mind that investing involves risk, including the possible loss of principal.

<sup>1</sup> Policy Form GFUA-398 or GFUA-12, a group fixed unallocated annuity, issued by The Variable Annuity Life Insurance Company, Houston, Texas.

**Who Can Participate?**

The Plan does not allow participation in the employee contributions portion of the Plan by:

- Employees who are students and regularly attending classes at the Employer institution during the calendar year.

The Plan does not allow participation in the employer contributions portion of the Plan by:

- Employees covered under TRS.

There is no age or service requirement for eligible employees to participate in the Plan.

**When Can I Join?**

You can join the Plan immediately upon the date of employment.

**How Do I Contribute to the Plan?**

Through payroll deduction, your Plan allows you to make pre-tax and/or after-tax Roth contributions. You can direct all of your contributions to a traditional pretax account, to a Roth after-tax account or to a combination of the two. Regardless of your election, you are subject to the annual contribution limits. up to the maximum allowed by the Internal Revenue Service. The dollar limit is \$18,500 for 2018. Special catch-up provisions may also be available. Talk to your financial advisor for more information.

Employees hired after May 1, 2015 who do not affirmatively elect to have a specified amount contributed to the Plan shall have his Compensation automatically reduced by 3% and contributed as an Elective Deferral to the Plan. Employees who are Substitute Teachers and temporary employees will be excluded from the auto Enrollment provision.

If you have an existing qualified retirement plan (pre-tax) or 403(b) tax deferred arrangement account with a prior employer, you can transfer or roll over that account into the Plan on becoming a participant in the Plan.

**Can I Make Catch-up Contributions To The Plan?**

You may be able to contribute up to an additional:

- \$3,000 in 2018 if you have 15 or more years of service with your employer and have under contributed in prior years, and/or
- \$6,000 in 2018 if you are age 50 or older.

See your Benefits Administrator for more details.

**Can I Stop Or Change My Contributions?**

You may stop your contributions Anytime. Once you discontinue contributions, you may only start again as provided under the terms of the Plan.

An Employee for which contributions have automatically been made has 60 days from the date of the first contribution to elect to withdraw all of the contributions made on his behalf including earnings.

You can increase or decrease the amount of your contributions anytime.

**How Does Paulding County School District Contribute To The Plan?**

The Plan also provides for Paulding County School District to make contributions.

- Paulding County School District will also make matching contributions equal to 100% of your pre-tax contributions up to 3% of eligible compensation . The match benefits all classified Employees who are members of the Public School Employees Retirement System(PSERS).

A separate discretionary contribution to be made for Employees classified as Superintendent

- The employer has the discretion to vary the matching contributions annually.

### How Do I Become "Vested" In My Plan Account?

Vesting refers to your "ownership" of a benefit from the Plan. You are always 100% vested in employee contributions, and rollover contributions, plus any earnings they generate. Employer contributions to the Plan, plus any earnings they generate, are vested as follows:

#### Employer Matching Contributions:

Years of Vesting Service	Vesting Percentage
Less than 3	0%
3 or more	100%

### How Are Plan Contributions Invested?

You decide how to invest your Plan account, selecting from investment choices provided under the Plan, as determined by Paulding County School District.

- You can change your investment choices anytime.

### Do Transfer Restrictions Apply To The Fixed-Interest Option?

Generally, you may transfer assets from the Fixed-Interest Option into equity options at any time and, after 90 days, from equity options into another fixed-income option such as a money market fund, a stable-value fund or certain short-term bond funds, if such competing options are allowed in the plan.

### When Can Money Be Withdrawn From My Plan Account?

Money can be withdrawn from the Plan in these events:

Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal penalty may apply if taken before age 59½. Be sure to talk with your tax advisor before withdrawing any money from your Plan account.

### Can I Borrow Money From My Account?

The Plan is intended to help you put aside money for your retirement. However, Paulding County School District has included a Plan feature that enables you to access money from the Plan.

- The amount the Plan can loan to you is limited by rules under the tax law. All loans will be limited to the lesser of: 100% of your vested account balance up to \$10,000, or 50% of your vested account balance for loans in excess of \$10,000, not to exceed \$50,000.

- The minimum loan amount is \$1000.
- All loans must generally be repaid within five years. A longer term of 15 years may be available if the loan is to be used to purchase your principal residence.
- You can have 1 loan outstanding at a time.
- You pay interest back to your account. The interest rate on your loan will be the Prime Rate plus 1%.
- A \$50 processing fee for all new loans and a \$50 per year loan maintenance fee are charged to your account.

Other requirements and limits must be met prior to borrowing money from your account. For additional information regarding loans, please see your financial advisor.

#### **How Do I Obtain Information About My Plan Account?**

You will receive an account statement quarterly that shows your account balance as well as any contributions and earnings credited to your account during the reporting period.

You will also have access to an automated voice response system and Internet site, which are designed to give you current information about your Plan account. You can get up-to-date information about your account balance, contributions, investment choices, and other Plan data. You will receive additional information on how to use the Voice Response System and Internet site.

You will also be able to view and print the welcome letter and plan highlights by logging on to [www.valic.com](http://www.valic.com) and selecting the ePrint link. At the prompt, enter your Group ID: 04861001.

#### **Do I Have Any Administrative Charges?**

The gross annual administrative fee assessed on mutual fund assets in the plan is .41%. This may be offset, in whole or in part, by reimbursements received from mutual fund companies. Additionally, mutual fund annual operating expenses apply based on the mutual fund chosen. Mutual fund expenses and fund reimbursements are described in the fund prospectus. Also, the Service Provider agrees to share revenue in the event the amount of income received from one or more of the investment companies exceed the amount necessary to administer the plan. Any excess will be allocated to the participant account as soon as administratively practicable after the

close of each calendar quarter, on a pro rata basis, according to the value and allocation of their respective accounts at that time. See the "Revenue Sharing Policy" in the back of this guide for additional information.

**How Do I Enroll?**

Use the Paulding County School District Enrollment Website.

**Plan Information**

The above highlights are only a brief overview of the Plan's features and are not a legally binding document. Contact your Benefits Administrator if you have any further questions.

- **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.valic.com/eprint](http://www.valic.com/eprint). Enter your Group ID 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.**
- Securities and investment advisory services offered through VALIC Financial Advisors, Inc., member FINRA, SIPC and an SEC-registered investment advisor.
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